**EXIT OFFER LETTER DATED 3 NOVEMBER 2022**

**THIS EXIT OFFER LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt about any aspect of the Exit Offer (as defined herein) or the action you should take, you should consult your stockbroker, a licensed securities dealer, registered dealer in securities or registered institution in securities, a bank manager, solicitor, professional accountant, tax adviser or other professional adviser immediately.**

SAC Capital Private Limited is acting for and on behalf of Memories (2022) Pte. Limited ("**Offeror**") and does not purport to advise the Shareholders (as defined herein) and/or any other person.

If you have sold or transferred all your issued and fully paid-up ordinary shares ("**Shares**") in the capital of Memories Group Limited (the "**Company**") held through the Central Depository (Pte) Limited ("**CDP**"), you need not forward the Hardcopy Notification (as defined herein) and the accompanying Form of Acceptance and Authorisation for Offer Shares ("**FAA**") to the purchaser or transferee, as arrangements will be made by CDP for a separate Hardcopy Notification to be sent to the purchaser or transferee.

If you have sold or transferred all your Shares (other than those held through CDP), you should immediately forward the Hardcopy Notification together with the accompanying Form of Acceptance and Transfer for Offer Shares ("**FAT**") to the purchaser or transferee or to the bank, stockbroker, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

This Exit Offer Letter should be read in conjunction with the accompanying relevant Acceptance Forms (as defined herein), the provisions of which form part of the terms of the Exit Offer contained herein.

This Exit Offer Letter and the relevant Acceptance Forms shall not be construed as, may not be used for the purposes of, and do not constitute a notice or proposal or advertisement or an offer or invitation or solicitation in any jurisdiction or in any circumstance in which such a notice or proposal or advertisement or an offer or invitation or solicitation is unlawful or not authorised, or to any person to whom it is unlawful to make such a notice or proposal or advertisement or an offer or invitation or solicitation. This Exit Offer Letter and the relevant Acceptance Forms do not constitute an invitation to purchase or subscribe for any securities.

**The views of the Independent Directors (as defined herein) and the IFA (as defined herein) on the Exit Offer are available in the Delisting Circular (as defined herein), which is despatched together with this Exit Offer Letter. You may wish to consider their views before taking any action in relation to the Exit Offer (as defined herein).**

**The Singapore Exchange Securities Trading Limited ("SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Exit Offer Letter.**

# EXIT OFFER

in connection with

## THE PROPOSED VOLUNTARY DELISTING OF MEMORIES GROUP LIMITED FROM THE CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED PURSUANT TO RULES 1307 AND 1308 OF THE SGX-ST LISTING MANUAL SECTION B: RULES OF CATALIST

by

**SAC CAPITAL PRIVATE LIMITED**
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

for and on behalf of

**MEMORIES (2022) PTE. LIMITED**
(Incorporated in the Republic of Singapore)
(Company Registration Number: 202229618G)

to acquire all the Offer Shares (as defined herein) in the capital of

**MEMORIES GROUP LIMITED**
(Incorporated in the Republic of Singapore)
(Company Registration Number: 201201631D)

at the Exit Offer Consideration (as defined herein) for each Offer Share (as defined herein) of
either S$0.047 in cash,
or
one (1) new ordinary share in the capital of the Offeror
at the price of S$0.047 per new Offeror Share (as defined herein)

**CLOSE OF THE EXIT OFFER**

**ACCEPTANCES OF THE EXIT OFFER SHOULD BE RECEIVED BY 5.30P.M. ON 2 DECEMBER 2022 ("CLOSING DATE"). THE OFFEROR DOES NOT INTEND TO EXTEND THE EXIT OFFER BEYOND 5.30 P.M. ON THE CLOSING DATE. NOTICE IS HEREBY GIVEN THAT THE EXIT OFFER WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 5.30 P.M. ON THE CLOSING DATE.**

**THE EXIT OFFER CONSIDERATION IS FINAL. THE OFFEROR DOES NOT INTEND TO INCREASE THE EXIT OFFER CONSIDERATION.**

**MINIMUM ACCEPTANCE CONDITION**

**THE EXIT OFFER IS CONDITIONAL ON THE OFFEROR HAVING RECEIVED, BY THE CLOSE OF THE EXIT OFFER, VALID ACCEPTANCES IN RESPECT OF SUCH NUMBER OF OFFER SHARES WHICH, WHEN TAKEN TOGETHER WITH THE SHARES OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT (EITHER BEFORE OR DURING THE EXIT OFFER AND PURSUANT TO THE EXIT OFFER, OR OTHERWISE), WILL RESULT IN THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT HOLDING SUCH NUMBER OF SHARES CARRYING MORE THAN 50% OF THE VOTING RIGHTS ATTRIBUTABLE TO THE ISSUED SHARE CAPITAL OF MEMORIES GROUP LIMITED AS AT THE CLOSE OF THE EXIT OFFER.**

**PLEASE REFER TO SECTION 2.1(d) ENTITLED "MINIMUM ACCEPTANCE CONDITION" AND SECTION 2.1(g) ENTITLED "DURATION OF THE EXIT OFFER" OF THIS EXIT OFFER LETTER FOR DETAILS. IF THIS MINIMUM ACCEPTANCE CONDITION IS NOT MET AT THE CLOSE OF THE EXIT OFFER, AND IN THE EVENT THAT THE SHAREHOLDERS' APPROVAL (AS DEFINED HEREIN) HAS BEEN OBTAINED, MEMORIES GROUP LIMITED WILL STILL BE VOLUNTARILY DELISTED AND THE EXIT OFFER WILL LAPSE.**

The procedures for acceptance of the Exit Offer are set out in Appendix 2 of this Exit Offer Letter and in the accompanying FAA (as defined herein) and/or FAT (as defined herein) (as applicable).

Persons including, without limitation, custodians, nominees and trustees who would, or otherwise intend to, forward this Exit Offer Letter and/or the relevant Acceptance Forms to any jurisdiction outside of Singapore should read the details in this regard which are contained in Section 16 of this Exit Offer Letter before taking any action in relation to the Exit Offer. It is the responsibility of each Overseas Shareholder (as defined herein) wishing to accept the Exit Offer (as applicable) to satisfy himself, herself or itself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and compliance with other necessary formalities or legal requirements. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Exit Offer.

Electronic copies of this Exit Offer Letter and the Delisting Circular are available on the SGX-ST's website at https://www.sgx.com/ and the Company's website at http://memoriesgroup.com/.

If you are in any doubt about the matters contained in this Exit Offer Letter or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately. The views of the Independent Directors and the IFA on the Exit Offer are set out in the Delisting Circular, which is despatched on the same date as this Exit Offer Letter. You may wish to consider their views before taking any decision on the Exit Offer. The SGX-ST assumes no responsibility for the correctness of any of the statements made or reports contained or opinions expressed in this Exit Offer Letter.

## CONTENTS


| | | Page |
|---|---|---|
| **DEFINITIONS** | | 3 |
| **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS** | | 12 |
| **INDICATIVE TIMETABLE** | | 13 |
| **MINIMUM ACCEPTANCE CONDITION** | | 14 |
| **LETTER TO SHAREHOLDERS** | | 15 |
| **1.** | **INTRODUCTION** | 15 |
| **2.** | **THE EXIT OFFER** | 16 |
| **3.** | **VOTING ON THE DELISTING RESOLUTION AT THE EGM AND COURSES OF ACTION IN RELATION TO THE EXIT OFFER** | 22 |
| **4.** | **RULINGS FROM THE SIC** | 23 |
| **5.** | **INFORMATION ON THE OFFEROR CONCERT PARTY GROUP** | 24 |
| **6.** | **INFORMATION ON THE COMPANY** | 28 |
| **7.** | **UNDERTAKINGS** | 29 |
| **8.** | **RATIONALE FOR THE DELISTING AND EXIT OFFER** | 31 |
| **9.** | **OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY** | 34 |
| **10.** | **COMPULSORY ACQUSITION** | 35 |
| **11.** | **IMPLICATIONS AND LISTING STATUS** | 35 |
| **12.** | **FINANCIAL ASPECTS OF THE EXIT OFFER** | 37 |
| **13.** | **DISCLOSURE OF HOLDINGS AND DEALINGS IN THE COMPANY AND THE OFFEROR** | 38 |
| **14.** | **TOTAL CONSIDERATION PAYABLE UNDER THE EXIT OFFER** | 38 |
| **15.** | **CONFIRMATION OF FINANCIAL RESOURCES** | 38 |
| **16.** | **OVERSEAS SHAREHOLDERS** | 39 |
| **17.** | **INFORMATION PERTAINING TO CPFIS INVESTORS** | 39 |
| **18.** | **INFORMATION PERTAINING TO SRS INVESTORS** | 40 |
| **19.** | **GENERAL** | 40 |
| **20.** | **RESPONSIBILITY STATEMENTS** | 41 |
| **APPENDIX 1 – PARTICULARS OF THE UNDERTAKING SHAREHOLDERS AND THE BONDHOLDER** | | 42 |
| **APPENDIX 2 – PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER** | | 43 |
| **APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR AND FMI** | | 54 |
| **APPENDIX 4 – RISK FACTORS** | | 59 |
| **APPENDIX 5 – ADDITIONAL INFORMATION ON THE COMPANY** | | 62 |
| **APPENDIX 6 – DISCLOSURE OF HOLDINGS AND DEALINGS** | | 63 |
| **APPENDIX 7 – ADDITIONAL GENERAL INFORMATION** | | 65 |
| **APPENDIX 8 – OFFEROR CONSTITUTION** | | 69 |
| **APPENDIX 9 – SIGNIFICANT ACCOUNTING POLICIES OF FMI** | | 98 |

Except where the context otherwise requires, the following definitions apply throughout this Exit Offer Letter and the Acceptance Forms:

| | | |
|---|---|---|
| **"Acceptance Forms"** | : | The FAA and the FAT collectively or any one of them, as the case may be, and the KYC Particulars Form |
| **"ACRA"** | : | Accounting and Corporate Regulatory Authority of Singapore |
| **"ACE"** | : | ACE Venture Opportunities |
| **"Board"** | : | The board of Directors of the Company as at the Latest Practicable Date |
| **"Bondholder"** | : | The holder of the Convertible Bonds, Oakfame Investment Limited |
| **"Bondholder Undertaking"** | : | The irrevocable undertaking provided by the Bondholder to the Offeror, as more particularly described in Section 7.2 of this Exit Offer Letter |
| **"Books Closure Date"** | : | Has the meaning as ascribed to it in Section 2.1(a)(i) of this Exit Offer Letter |
| **"Business Day"** | : | A day other than Saturday, Sunday or a public holiday on which commercial banks in Singapore and the SGX-ST (as the case may be) are open for business |
| **"Catalist Rules"** | : | The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time up to the Latest Practicable Date |
| **"Cash Consideration"** | : | Has the meaning as ascribed to it in Section 2.1(a) of this Exit Offer Letter |
| **"CDP"** | : | The Central Depository (Pte) Limited of Singapore, which operates the Central Depository System for the holding and transfer of book-entry securities |
| **"Closing Date"** | : | 2 December 2022, being the last day for the lodgement of acceptances of the Exit Offer |
| **"Code"** | : | The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time up to the Latest Practicable Date |
| **"Companies Act"** | : | The Companies Act 1967, as amended, modified or supplemented from time to time up to the Latest Practicable Date |
| **"Company" or "MGL"** | : | Memories Group Limited |
| **"Company Securities"** | : | Shares, convertible securities, warrants, options or derivatives in respect of such Shares or which carry voting rights in the Company |

| | | |
|---|---|---|
| **"Constitution"** | : | The Constitution of the Company |
| **"Controlling Shareholders"** | : | Pursuant to the Catalist Rules, a person who:<br><br>(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (subject to the discretion of the SGX-ST which may nevertheless determine that such a person is not a Controlling Shareholder); or<br><br>(b) in fact exercises control over the Company |
| **"Consideration Shares"** | : | Has the meaning as ascribed to it in Section 6.3 of this Exit Offer Letter |
| **"Conversion Shares"** | : | New Shares unconditionally issued by the Company pursuant to the valid conversion of the Convertible Bonds |
| **"Convertible Bonds"** | : | The unlisted convertible bonds (in denominations of US$319,000) in the principal amount of US$3,190,000 at the coupon rate of five per cent (5%) per annum as issued to the Bondholder by the Company on 15 May 2019 |
| **"CPF"** | : | Central Provident Fund of Singapore |
| **"CPF Agent Banks"** | : | Banks approved by CPF to be its agent banks under the CPFIS |
| **"CPFIS"** | : | Central Provident Fund Investment Scheme of Singapore |
| **"CPFIS Investors"** | : | Investors who have purchased Shares using their CPF savings in Singapore |
| **"Date of Receipt"** | : | The date of receipt of the relevant Acceptance Form by CDP or the Share Registrar (as the case may be) on behalf of the Offeror (provided always that the Date of Receipt falls on or before the Closing Date) |
| **"Delisting"** | : | The proposed voluntary delisting of the Company from the Catalist of the SGX-ST pursuant to Rules 1307 and 1308 of the Catalist Rules |
| **"Delisting Circular"** | : | The circular setting out, amongst other things: (i) information pertaining to the Delisting and the Exit Offer; (ii) the advice of the IFA to the Independent Directors in respect of the Delisting and the Exit Offer; and (iii) the notice of the EGM, which is despatched by the Company to Shareholders together with this Exit Offer Letter |
| **"Delisting Proposal"** | : | The formal proposal dated 9 September 2022 presented by the Offeror to the Board to seek the Delisting |
| **"Delisting Resolution"** | : | The resolution to be approved by Shareholders at the EGM in relation to the Delisting |
| **"Delisting Resolution Approval Condition"** | : | Has the meaning as ascribed to it in Section 2.1(c) of this Exit Offer Letter |
| **"Despatch Date"** | : | 3 November 2022, being the date of despatch of this Exit Offer Letter |

| | | |
|---|---|---|
| **"Directors"** | : | The directors of the Company as at the Latest Practicable Date |
| **"Dissenting Shareholders"** | : | Has the meaning as ascribed to it in Section 10.1 of this Exit Offer Letter |
| **"Distributions"** | : | In respect of the Offer Shares, any dividends, rights and other distributions (as the case may be) |
| **"EGM"** | : | The extraordinary general meeting of the Company to be convened on 18 November 2022 to seek the approval of Shareholders for the Delisting Resolution and any adjournment thereof |
| **"Electronic Acceptance"** | : | Acceptance of the Exit Offer via the SGX-SFG service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents |
| **"Encumbrances"** | : | Any lien, equity, mortgage, charge, encumbrance, right of pre-emption and other third party right and interest of any nature whatsoever |
| **"Entitlements"** | : | Has the meaning as ascribed to it in Section 2.1(e) of this Exit Offer Letter |
| **"ESOP"** | : | Employee Share Option Plan |
| **"Excluded Undertaking Entities"** | : | Has the meaning as ascribed to it in Section 2.1(c) of this Exit Offer Letter |
| **"Excluded Directors"** | : | Has the meaning as ascribed to it in Section 4(d) of this Exit Offer Letter |
| **"Exit Offer"** | : | The conditional exit offer to be made by the Financial Adviser for and on behalf of the Offeror for the Offer Shares subject to the conditions set out in this Exit Offer Letter and the Acceptance Forms and in accordance with the Code |
| **"Exit Offer Letter"** | : | This letter dated 3 November 2022 setting out the terms of the Exit Offer (including the Acceptance Forms), which is issued by the Financial Adviser, for and on behalf of the Offeror, to Shareholders, together with the Delisting Circular, including the FAA, the FAT and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update this Exit Offer Letter from time to time |
| **"Exit Offer Consideration"** | : | Has the meaning as ascribed to it in Section 2.1(a) of this Exit Offer Letter |
| **"FAA"** | : | Form of Acceptance and Authorisation for Offer Shares, which forms part of this Exit Offer Letter and which is issued to Shareholders whose Shares are deposited with the CDP |
| **"FAT"** | : | Form of Acceptance and Transfer for Offer Shares, which forms part of this Exit Offer Letter and which is issued to Shareholders whose Shares are registered in their own names in the Register and are not deposited with the CDP |
| **"Financial Adviser" or "SAC Capital"** | : | SAC Capital Private Limited |

| | | |
|---|---|---|
| **"FMI"** | : | First Myanmar Investment Public Co., Ltd., the holding company of the Offeror |
| **"FPE"** | : | Financial period ended 31 March |
| **"FYE"** | : | Financial year ended 30 September |
| **"Group"** | : | The Company and its subsidiaries |
| **"Hardcopy Notification"** | : | Has the meaning as ascribed to it in Section 1.3 of this Exit Offer Letter |
| **"Holding Announcement"** | : | The announcement released by the Company in respect of discussions of possible proposals and opportunities involving the Shares on 30 August 2022 in response to an increase in the share price and volume in the trading of the Shares prior to 30 August 2022 |
| **"Holding Announcement Date"** | : | 30 August 2022 |
| **"Independent Financial Adviser" or "IFA"** | : | Provenance Capital Pte. Ltd., the independent financial adviser appointed by the Company to advise the Independent Directors in respect of the Delisting and the Exit Offer pursuant to the Code |
| **"IFA Letter"** | : | The letter from the IFA setting out its advice to the Independent Directors in respect of the Delisting and the Exit Offer |
| **"Indemnified Persons"** | : | Has the meaning as ascribed to it in Paragraph 6.10(a) of Appendix 2 of this Exit Offer Letter |
| **"Independent Directors"** | : | The Directors who are considered independent for the purposes of making recommendations to Shareholders in respect of the Exit Offer, namely:<br>(a) Mr. Basil Chan;<br>(b) Mr. Robin Lee Chye Beng; and<br>(c) Mr. Chan Chun Hung Vincent. |
| **"Independent Shareholders"** | : | All Shareholders other than the Offeror Concert Party Group and the Undertaking Shareholders |
| **"in scrip form"** | : | Has the meaning as ascribed to it in Paragraph 2.1 of Appendix 2 of this Exit Offer Letter |
| **"Irrevocable Undertakings"** | : | The irrevocable undertakings provided by the Undertaking Shareholders to the Offeror, as more particularly described in Section 7.1 of this Exit Offer Letter |
| **"Issue Price"** | : | Has the meaning as ascribed to it in Section 2.1 of the Exit Offer Letter |
| **"Joint Announcement"** | : | The joint announcement dated 12 September 2022 issued by the Offeror and the Company in relation to the Delisting and the Exit Offer |
| **"Joint Announcement Date"** | : | 12 September 2022, being the date of the Joint Announcement |

| | | |
|---|---|---|
| **"KR Purchase Consideration" and "KR Cash Consideration"** | : | Has the meaning as ascribed to it in Section 6.3 of this Exit Offer Letter |
| **"KYC Particulars Form"** | : | The "know-your-client" particulars form to be submitted by Shareholders electing to receive the Share Consideration in accordance with the procedures set out in this Exit Offer Letter and the Acceptance Forms, which is issued to all Shareholders |
| **"Last Undisturbed Trading Day"** | : | 30 August 2022, being the last full Market Day of trading in the Shares on the SGX-ST immediately before the Company released the Holding Announcement |
| **"Latest Practicable Date"** | : | 25 October 2022, being the latest practicable date prior to the electronic dissemination of this Exit Offer Letter |
| **"Market Day"** | : | A day on which the SGX-ST is open for trading in securities |
| **"Minimum Acceptance Condition"** | : | Has the meaning as ascribed to it in Section 2.1(d) of this Exit Offer Letter |
| **"Mr. Basil Chan"** | : | Mr. Chan Basil, the Lead Independent Director of the Company |
| **"Mr. Cyrus Pun"** | : | Mr. Pun Chi Yam Cyrus, the Chief Executive Officer and executive Director of the Company, who is also a director of the Offeror |
| **"Mr. Serge Pun"** | : | Mr. U Theim Wai @ Serge Pun, the Chairman and executive Director of the Company, who is also a director of the Offeror and the ultimate controlling shareholder of the Offeror |
| **"Mr. Tun Tun"** | : | Mr. Tun Tun, a non-executive non-independent director of the Company, who is also a director of the Offeror |
| **"NAV"** | : | Net asset value |
| **"New Offeror Shares"** | : | New ordinary shares in the capital of the Offeror to be issued pursuant to the Exit Offer |
| **"NTA"** | : | Net tangible assets |
| **"Offer Period"** | : | The period commencing on the Joint Announcement Date and ending on the date the Exit Offer is declared to have closed or lapsed |
| **"Offer Shares"** | : | Has the meaning as ascribed to it in Section 2.1(b) of this Exit Offer Letter |
| **"Offeror"** | : | Memories (2022) Pte. Limited, a company incorporated in the Republic of Singapore with limited liability, which is wholly-owned by First Myanmar Investment Public Co., Ltd. as at the Latest Practicable Date |
| **"Offeror Concert Party Group"** | : | The Offeror and the parties acting or deemed to be acting in concert with it, including but not limited to the parties whose details are set out in Section 5.2 of this Exit Offer Letter |
| **"Offeror Securities"** | : | Offeror Shares, equity share capital, convertible securities, warrants, options or derivatives in respect of such Offeror Shares or securities which carry voting rights in the Offeror |

| | | |
|---|---|---|
| **"Offeror Shares"** | : | The ordinary shares in the total issued and paid-up share capital of the Offeror |
| **"Offeror Board"** | : | The board of directors of the Offeror as at the Latest Practicable Date |
| **"Offeror Constitution"** | : | The constitution of the Offeror as at the Latest Practicable Date |
| **"Offeror Directors"** | : | The directors of the Offeror as at the Latest Practicable Date |
| **"Offeror Group"** | : | Has the meaning as ascribed to it in Section 5.4 of this Exit Offer Letter |
| **"Offeror Share Certificates"** | : | Has the meaning as ascribed to it in Paragraph 3.1(ii) of Appendix 2 of this Exit Offer Letter |
| **"Options"** | : | Outstanding instruments convertible into, rights to subscribe for, or options (whether pursuant to an ESOP or otherwise) in respect of, securities which carry voting rights of the Company |
| **"Overseas Shareholders"** | : | Shareholders whose addresses as shown in the Singapore Register or in the records of CDP are outside of Singapore |
| **"P/NAV"** | : | Price-to-Net Asset Value |
| **"Register"** | : | The register of members of the Company in Singapore |
| **"Registered Shareholders"** | : | Shareholders whose Shares are held under their own names on the Register |
| **"Relevant Close Relatives"** | : | Has the meaning as ascribed to it in Section 4(d) of this Exit Offer Letter |
| **"Relevant Period"** | : | The period commencing on the date falling six (6) months prior to the Joint Announcement Date and ending on the Latest Practicable Date |
| **"Relevant Shares"** | : | Has the meaning as ascribed to it in Section 7.1 of this Exit Offer Letter |
| **"SAC Capital"** | : | SAC Capital Private Limited, the financial adviser to the Offeror in connection with the Exit Offer |
| **"Samena"** | : | Samena Mandalay Holdings |
| **"Second Tranche Shares"** | : | Has the meaning as ascribed to it in Section 6.3(ii) of this Exit Offer Letter |
| **"Securities Account"** | : | A securities account maintained by a Depositor with CDP but does not include a securities sub-account |
| **"Selling Party"** | : | Has the meaning as ascribed to it in Section 2.2(f) of this Exit Offer Letter |
| **"Settled Shares"** | : | Has the meaning as ascribed to it in Paragraph 1.1(b) of Appendix 2 of this Exit Offer Letter |
| **"SFA"** | : | The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time up to the Latest Practicable Date |

| | | |
|---|---|---|
| **"SGXNET"** | : | Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST for the purpose of the SGX-ST making that information available to the market |
| **"SGX-ST"** | : | Singapore Exchange Securities Trading Limited |
| **"SGX-ST's Approval"** | : | Has the meaning as ascribed to it in Section 1.2 of this Exit Offer Letter |
| **"Share Consideration"** | : | Has the meaning as ascribed to it in Section 2.1(a) of this Exit Offer Letter |
| **"Share Registrar" or "Receiving Agent"** | : | B.A.C.S. Private Limited, the share registrar of the Company and the receiving agent of the Offeror |
| **"Shareholders"** | : | The registered holders of the Shares, except that where the registered holder is CDP, the term "**Shareholders**" shall, where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register |
| **"Shareholders' Approval"** | : | Has the meaning as ascribed to it in Section 1.2 of this Exit Offer Letter |
| **"Shareholder Loan"** | : | Has the meaning as ascribed to it in Section 5.3 of this Exit Offer Letter |
| **"Shares"** | : | Ordinary shares in the issued and paid-up capital of the Company |
| **"SHC"** | : | SHC Capital Holdings Pte Ltd |
| **"SIC"** | : | The Securities Industry Council of Singapore |
| **"SRS"** | : | The Supplementary Retirement Scheme |
| **"SRS Agent Banks"** | : | Agent banks included under the SRS |
| **"SRS Investors"** | : | Investors who have purchased Shares using their SRS contributions pursuant to the SRS |
| **"UKNMW"** | : | Has the meaning as ascribed to it in Section 6.3 of this Exit Offer Letter |
| **"Undertaking Shareholders"** | : | The persons set out in Appendix 1 to this Exit Offer Letter |
| **"Undertaking Shares"** | : | An aggregate of 426,928,353 Shares which are the subject of the Irrevocable Undertakings, such Shares representing approximately 85.02% of the total issued Shares |
| **"Unsettled Buy Position"** | : | Has the meaning as ascribed to it in Paragraph 1.1(b) of Appendix 2 of this Exit Offer Letter |
| **"Wa Minn Group"** | : | Has the meaning as ascribed to it in Section 6.3 of this Exit Offer Letter |
| **"VWAP** | : | The volume-weighted average price of the Shares on the SGX-ST |

| | | |
|---|---|---|
| **"Yoma Group"** | : | Has the meaning as ascribed to it in Section 5.5 of this Exit Offer Letter |
| **"YSH"** | : | Yoma Strategic Holdings Ltd., a public company incorporated in Singapore and listed on the Mainboard of the SGX-ST, which is also the holding company of YSIL |
| **"YSIL"** | : | Yoma Strategic Investments Ltd., the wholly-owned subsidiary of YSH |
| **"MMK"** | : | Myanmar Kyat, the lawful currency of the Republic of the Union of Myanmar |
| **"S$"** | : | Singapore dollars, the lawful currency of the Republic of Singapore |
| **"US$"** | : | United States Dollars, the lawful currency of the United States of America |
| **"%" or "per cent"** | : | Percentage or per centum |

**Acting in Concert and Associates.** The terms "**acting in concert**" and "**associates**" shall have the meanings ascribed to them respectively in the Code.

**Announcements and Notices.** References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement to the press or the delivery of or transmission by telephone, facsimile, through the SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

**Depositors, Depository Agent and Depository Register.** The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

**Exit Offer Letter.** References to "**Exit Offer Letter**" shall include the Acceptance Forms, unless the context otherwise requires.

**Genders.** Words importing the singular shall, where applicable, include the plural and *vice versa.* Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

**Headings.** The headings in this Exit Offer Letter are inserted for convenience only and shall be ignored in construing this Exit Offer Letter.

**Rounding.** Any discrepancies in figures included in this Exit Offer Letter between amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Exit Offer Letter may not be an arithmetic aggregation of the figures that precede them.

**Shareholders.** References to "**you**", "**your**" and "**yours**" in this Exit Offer Letter are, as the context so determines, to Shareholders.

**Statutes.** Any reference in this Exit Offer Letter to any enactment or statutory provision is a reference to that enactment or statutory provision as for the time being amended, modified or re-enacted. Any word defined under the Companies Act, the Code, the Catalist Rules, the SFA or any modification thereof and used in this Exit Offer Letter shall, where applicable, have the meaning assigned to that word under the Companies Act, the Code, the Catalist Rules, the SFA or any modification thereof, as the case may be, unless the context otherwise requires.

**Subsidiary and Related Corporation.** References to "**subsidiary**" and "**related corporation**" shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

**Time and Date.** Any reference to a time of the day and date in this Exit Offer Letter shall be a reference to Singapore time and date, unless otherwise stated.

**Total number of issued Shares.** Unless otherwise stated, all references in this Exit Offer Letter to the total number of issued Shares are based on 502,170,955 Shares in issue as at the Latest Practicable Date (based on a search conducted at ACRA on such date). As at the Latest Practicable Date, the Company does not hold any Shares in treasury. For reference only, the maximum potential issued share capital of the Company will comprise 506,061,595 Shares assuming that the Second Tranche Shares have been allotted and issued, but excluding the Conversion Shares.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Exit Offer Letter are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast", "possible", "probable" and similar expressions or future or conditional verbs such as "if", "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future performance, events or achievements and involve known and unknown risks and uncertainties.

Accordingly, actual results, performance, events, achievements or outcomes may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements and information. None of the Offeror, the Company or SAC Capital undertakes any obligation to update any of such forward-looking statements or publicly announce any revisions to such forward-looking statements, subject to compliance with any applicable laws and regulations, the Code, the Catalist Rules and/or any regulatory or supervisory body or agency.

| | | |
|---|---|---|
| Date of despatch of this Exit Offer Letter and the Delisting Circular | : | 3 November 2022 |
| Last date and time for lodgement of proxy forms for the EGM[(1)] | : | 16 November 2022 at 9.30 a.m. |
| Date and time of the EGM | : | 18 November 2022 at 9.30 a.m. |
| Date of the announcement on the Shareholders' Approval being obtained | : | 18 November 2022 |
| Closing Date and time | : | 2 December 2022 at 5:30 p.m. (Singapore time), such date being the last day for the lodgement of acceptances of the Exit Offer which shall be at least 14 days after the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms |
| Expected date and time of the suspension of trading of the Shares by SGX-ST | : | To be annouced by or on behalf of the Company |
| Expected date for the Delisting of the Shares | : | Subject to the SGX-ST's Approval, approximately one (1) to two (2) weeks after the Closing Date, or such other date(s) as may be announced from time to time by or on behalf of the Company |
| Expected date(s) for the payment of the Exit Offer Consideration, in respect of valid acceptances of the Exit Offer | : | (a) In respect of acceptances of the Exit Offer which are complete and valid in all respects and are received on or before the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven (7) Business Days of that date; or<br><br>(b) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received after the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but on or before the Closing Date, within seven (7) Business Days of the date of such receipt. |

An announcement will be made by or on behalf of the Offeror when the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms. Shareholders should note that, save for the last date and time for lodgement of proxy forms for the EGM, and the date and time of the EGM, the above timetable is indicative only and may be subject to change. For events listed above which are described as "expected", please refer to future announcement(s) by or on behalf of the Company and/or the Offeror via SGXNET for the exact dates and times of such events.

**Note:**

(1) The instrument appointing a proxy must be deposited at the registered office of the Share Registrar at 77 Robinson Road #06-03, Robinson 77, Singapore 068896 not less than 48 hours before the time appointed for holding the EGM.

## MINIMUM ACCEPTANCE CONDITION

**AN APPLICATION WILL BE MADE TO THE SGX-ST TO DELIST AND REMOVE THE COMPANY FROM THE CATALIST FOLLOWING SHAREHOLDERS' APPROVAL BEING OBTAINED AT THE EGM. THE SGX-ST'S DECISION IS NOT AN INDICATION OF THE MERITS OF THE DELISTING. SHAREHOLDERS SHOULD NOTE THAT THE DELISTING AND THE EXIT OFFER WILL BE CONDITIONAL UPON THE DELISTING RESOLUTION BEING PASSED AT THE EGM. PURSUANT TO RULE 1307 OF THE CATALIST RULES, THE DELISTING RESOLUTION IS CONSIDERED PASSED IF IT IS APPROVED BY A MAJORITY OF AT LEAST 75 PER CENT. (75%) OF THE TOTAL NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS) HELD BY THE SHAREHOLDERS PRESENT AND VOTING, ON A POLL, EITHER IN PERSON OR BY PROXY AT THE EGM, AND THE OFFEROR AND THE PERSONS ACTING IN CONCERT WITH IT MUST ABSTAIN FROM VOTING ON THE DELISTING RESOLUTION. IF THIS CONDITION IS NOT SATISFIED AT THE EGM TO BE CONVENED, THE DELISTING WILL NOT PROCEED, AND THE COMPANY WILL REMAIN LISTED ON THE SGX-ST AND THE EXIT OFFER WILL LAPSE. THE DELISTING IS SUBJECT TO THE SGX-ST'S APPROVAL. THE EXIT OFFER, HOWEVER, WILL BECOME UNCONDITIONAL UPON THE DELISTING RESOLUTION BEING PASSED AT THE EGM AND THE MINIMUM ACCEPTANCE CONDITION (AS DEFINED BELOW) BEING FULFILLED.**

**SHAREHOLDERS SHOULD ALSO NOTE THAT THE EXIT OFFER IS CONDITIONAL TO THE OFFEROR HAVING RECEIVED, BY THE CLOSE OF THE EXIT OFFER, VALID ACCEPTANCES IN RESPECT OF SUCH NUMBER OF OFFER SHARES WHICH, WHEN TAKEN TOGETHER WITH THE SHARES OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT (EITHER BEFORE OR DURING THE EXIT OFFER AND PURSUANT TO THE EXIT OFFER OR OTHERWISE), WILL RESULT IN THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT HOLDING SUCH NUMBER OF SHARES CARRYING MORE THAN 50 PER CENT. (50%) OF THE VOTING RIGHTS ATTRIBUTABLE TO THE ISSUED SHARE CAPITAL OF THE COMPANY AS AT THE CLOSE OF THE EXIT OFFER ("MINIMUM ACCEPTANCE CONDITION").**

**ACCORDINGLY, THE EXIT OFFER WILL NOT BECOME OR BE CAPABLE OF BEING DECLARED UNCONDITIONAL AS TO ACCEPTANCES, UNLESS AT ANY TIME PRIOR TO OR AS AT THE DATE THE EXIT OFFER CLOSES, THE OFFEROR HAS RECEIVED VALID ACCEPTANCES IN RESPECT OF SUCH NUMBER OF OFFER SHARES WHICH, TOGETHER WITH THE NUMBER OF SHARES OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT (EITHER BEFORE OR DURING THE EXIT OFFER AND PURSUANT TO THE EXIT OFFER OR OTHERWISE), WILL RESULT IN THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT HOLDING SUCH NUMBER OF SHARES CARRYING MORE THAN 50 PER CENT. (50%) OF THE VOTING RIGHTS ATTRIBUTABLE TO THE MAXIMUM POTENTIAL ISSUED SHARE CAPITAL OF THE COMPANY. SUCH ACCEPTANCE CONDITION WILL BE MET WHEN THE UNDERTAKING SHAREHOLDERS (AS SET OUT IN APPENDIX 1 OF THIS EXIT OFFER LETTER) TENDER THEIR ACCEPTANCES FOR THE EXIT OFFER IN ACCORDANCE WITH THE IRREVOCABLE UNDERTAKINGS.**

**SHAREHOLDERS ARE TO NOTE THAT IF THE MINIMUM ACCEPTANCE CONDITION IS NOT FULFILLED AT THE CLOSE OF THE EXIT OFFER AND THE SHAREHOLDER'S APPROVAL HAS BEEN OBTAINED AT THE EGM, THE EXIT OFFER WILL LAPSE AND ALL ACCEPTANCES OF THE EXIT OFFER WILL BE RETURNED. IN SUCH AN EVENT, SUBJECT TO THE SGX-ST'S APPROVAL BEING GRANTED, THE COMPANY WILL BE DELISTED FROM THE CATALIST OF THE SGX-ST, AND SHAREHOLDERS WILL HOLD SHARES IN A PUBLIC UNLISTED COMPANY.**

**IF THE DELISTING RESOLUTION IS APPROVED IN ACCORDANCE WITH THE REQUIREMENTS OF THE CATALIST RULES, THE COMPANY WILL APPLY TO THE SGX-ST TO BE DELISTED FROM THE CATALIST OF THE SGX-ST, REGARDLESS OF THE ACCEPTANCE LEVEL OF THE EXIT OFFER. THE DELISTING WILL BE CONDITIONAL UPON THE SGX-ST'S APPROVAL. FOLLOWING THE DELISTING, SHAREHOLDERS WHO DO NOT ACCEPT THE EXIT OFFER WILL CONTINUE TO HOLD SHARES IN THE COMPANY, WHICH WILL THEN BE A PUBLIC UNLISTED COMPANY.**

**APPROVING THE DELISTING RESOLUTION AT THE EGM DOES NOT AUTOMATICALLY MEAN THAT YOU HAVE ACCEPTED THE EXIT OFFER. PLEASE REFER TO SECTION 3.3 AND APPENDIX 2 OF THIS EXIT OFFER LETTER FOR FURTHER DETAILS ON THE ACTIONS TO TAKE IF YOU WISH TO ACCEPT THE EXIT OFFER.**

**SAC CAPITAL PRIVATE LIMITED**
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200401542N)

3 November 2022

To: The Shareholders of Memories Group Limited

Dear Sir / Madam,

**PROPOSED VOLUNTARY DELISTING OF MEMORIES GROUP LIMITED PURSUANT TO RULES 1307 AND 1308 OF THE CATALIST RULES - EXIT OFFER LETTER**

## 1. INTRODUCTION

### 1.1 Delisting Proposal

On the Joint Announcement Date, the Offeror and the Company jointly announced that the Offeror had presented to the Board the Delisting Proposal to seek the Delisting pursuant to Rules 1307 and 1308 of the Catalist Rules.

In connection with the Delisting and subject to the terms and conditions set out in this Exit Offer Letter, the Financial Adviser, for and on behalf of the Offeror, is making the Exit Offer to acquire all the Offer Shares.

### 1.2 EGM

The Company will be convening the EGM to seek the approval of the Shareholders for the Delisting. The Delisting Resolution must be approved by a majority of at least seventy-five per cent (75%) of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM ("**Shareholders' Approval**"). The Offeror Concert Party Group must abstain from voting on the Delisting Resolution. The Delisting will be conditional upon the SGX-ST agreeing to an application by the Company to delist from the Catalist of the SGX-ST (the "**SGX-ST's Approval**").

### 1.3 Exit Offer Letter

This Exit Offer Letter, together with the Acceptance Forms, contain the terms and conditions of the Exit Offer. The Exit Offer may only be accepted by the relevant Shareholder to whom this Exit Offer Letter is addressed. This Exit Offer Letter, together with the Acceptance Forms, are despatched to you by the Financial Adviser, for and on behalf of the Offeror.

Pursuant to the SIC's Public Statement on the Further Extension of the Temporary Measure to allow for Electronic Despatch of Take-over Documents under the Code issued on 29 June 2021, the Offeror has opted to electronically despatch this Exit Offer Letter. An electronic copy of this Exit Offer Letter is published on the website of the SGX-ST at https://www.sgx.com.

In connection with the electronic despatch of this Exit Offer Letter, Shareholders should receive a hardcopy notification containing instructions on how to access the electronic copy of this Exit Offer Letter ("**Hardcopy Notification**"), together with the hardcopy Acceptance Forms.

Shareholders who wish to receive a hardcopy of this Exit Offer Letter should contact the Company's Share Registrar at 77 Robinson Road #06-03, Robinson 77, Singapore 068896 or the telephone number +65 6593 4848, which will arrange to forward a hardcopy of this Exit Offer Letter to such Shareholders by ordinary post and at such Shareholders' risk to such address in Singapore as shown on the Register of the Company or, as the case may be, in the records of CDP.

This Exit Offer Letter (including the Acceptance Forms) shall not be construed as, may not be used for the purpose of, and do not constitute, a notice or proposal or advertisement or an offer or invitation or solicitation in any jurisdiction or in any circumstances in which such notice or proposal or advertisement or an offer or invitation or solicitation is unlawful or unauthorised, or to any person to whom it is unlawful to make such a notice or proposal or advertisement or an offer or invitation or solicitation.

**Please note that the Delisting and the Exit Offer are conditional upon Shareholders' Approval being obtained at the EGM, and failing which, (A) the Delisting will not proceed and the Company will remain listed on the Catalist of the SGX-ST, and (B) the Exit Offer will lapse and all acceptances of the Exit Offer will be returned. Please refer to Section 2 of this Exit Offer Letter for further details on the Exit Offer.**

**In the event that the Exit Offer lapses, pursuant to Rule 33.1 of the Code, none of the Offeror Concert Party Group may, except with the consent of the SIC, within 12 months from the date on which the Exit Offer lapses (i) announce an offer or possible offer for the Company or (ii) acquire any voting rights of the Company if the Offeror Concert Party Group would thereby become obliged under Rule 14 of the Code to make an offer.**

### 1.4 Delisting Circular

The Delisting Circular issued by the Company to the Shareholders in relation to the Delisting and the Exit Offer is despatched together with this Exit Offer Letter (including the relevant Acceptance Forms). Electronic copies of the Delisting Circular and this Exit Offer Letter are also available on the websites of the SGX-ST and the Company at http://www.sgx.com and http://memoriesgroup.com respectively.

### 1.5 Caution

Please read this Exit Offer Letter carefully in its entirety and in conjunction with the Delisting Circular (which sets out (a) the advice of the IFA to the Independent Directors in relation to the Delisting and the Exit Offer and (b) the recommendation of the Independent Directors to the Independent Shareholders in relation to the Delisting and the Exit Offer).

## 2 THE EXIT OFFER

### 2.1 Terms of the Exit Offer

Subject to the satisfaction of the Delisting Resolution Approval Condition, the Financial Adviser, for and on behalf of the Offeror, hereby makes the Exit Offer to acquire all the Offer Shares on the terms and subject to the conditions set out in this Exit Offer Letter (including the relevant Acceptance Forms), and on the following basis:

(a) Exit Offer Consideration

The consideration for the Exit Offer (the "**Exit Offer Consideration**") payable by the Offeror for all the Offer Shares will be, at the election of the Shareholders:

**For each Offer Share : EITHER**

**S$0.047 in cash (the "Cash Consideration");**

**OR**

**in lieu of the Cash Consideration, one (1) New Offeror Share at the price of S$0.047 ("Issue Price") per New Offeror Share (the "Share Consideration")**

**It is not currently contemplated that the New Offeror Shares will be listed on any securities exchange.**

**THE OFFEROR DOES NOT INTEND TO INCREASE THE EXIT OFFER CONSIDERATION.**

Without prejudice to the foregoing, the Exit Offer Consideration has been determined on the basis that the Offer Shares will be acquired with the right to receive any Distributions that may be declared, paid or made by the Company on or after the Joint Announcement Date. In the event any Distributions are or have been declared, paid or made by the Company on or after the Joint Announcement Date to a Shareholder who validly accepts or has validly accepted the Exit Offer, the Exit Offer Consideration payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such Distributions depending on when the settlement date in respect of the Offer Shares tendered in acceptance by such accepting Shareholder pursuant to the Exit Offer falls, as follows:

(i) if such settlement date for the Offer Shares falls on or before the books closure date for the determination of entitlements to the Distributions (the "**Books Closure Date**"), the Offeror shall pay the relevant accepting Shareholders the unadjusted Exit Offer Consideration for each Offer Share, as the Offeror will receive the Distributions in respect of such Offer Shares from the Company; or

(ii) if such settlement date for the Offer Shares falls after the Books Closure Date, the Exit Offer Consideration shall be reduced by an amount which is equal to the amount of the Distributions in respect of each Offer Share, as the Offeror will not receive the Distributions in respect of such Offer Shares from the Company. In the case of Shareholders electing for the Share Consideration, the Issue Price of the New Offeror Shares will be reduced accordingly.

Based on the latest information available to the Offeror and save as disclosed herein, there are no Options as at the Joint Announcement Date and the Latest Practicable Date. In view of the foregoing and the ruling of the SIC set out in Section 4 of this Exit Offer Letter, the Offeror will not make an offer to acquire any Options.

**Shareholders who accept the Exit Offer shall have in relation to all their Offer Shares tendered in acceptance of the Exit Offer, the right to elect to receive either the Share Consideration or the Cash Consideration, but not both.** In the event that any Shareholder who has tendered their Offer Shares in acceptance of the Exit Offer does not elect between the Cash Consideration or the Share Consideration, whether due to an absence or failure of a valid election, **such Shareholder will be deemed to have elected to receive the Cash Consideration for all of its Offer Shares tendered in acceptance of the Exit Offer.**

In addition, any Shareholder electing to receive the Share Consideration will be required by the Offeror to comply with and provide particulars and supporting documents as may be required to satisfy such anti-money laundering and counter terrorism financing checks or due diligence as required by applicable laws and regulations, failing which such Shareholder will be deemed to have elected to receive the Cash Consideration for all of its Offer Shares tendered in acceptance of the Exit Offer.

The actual number of New Offeror Shares which a Shareholder who accepts the Exit Offer and who elects to receive the Share Consideration will receive, will be rounded down to the nearest whole number and calculated such that any resultant fraction of any New Offeror Share will be disregarded, and accordingly no fraction of any New Offeror Share will be issued to any such Shareholder. By way of illustration, a Shareholder who accepts the Exit Offer and who elects to receive the Share Consideration will receive, for every 100,000 Offer Shares tendered in acceptance of the Exit Offer, 100,000 New Offeror Shares, and a Shareholder who accepts the Exit Offer and who elects to receive the Cash Consideration will receive, for every 100,000 Offer Shares tendered in acceptance of the Exit Offer, S$4,700 in cash. For the avoidance of doubt, there will not be any rounding required for the number of New Offeror Shares to be issued to Shareholders who accept the Share Consideration as they hold whole numbers of Offer Shares.

The New Offeror Shares shall, when issued, (a) be credited as fully paid, (b) be free from any Encumbrances, (c) rank *pari passu* in all respects with one another as well as with all other issued ordinary shares in the Offeror as at the date of issue of the New Offeror Shares, and (d) have the

same rights, privileges, and entitlements as all other issued ordinary shares in the Offeror as at the date of issue of the New Offeror Shares.

(b) Offer Shares

The Exit Offer is extended, on the same terms and conditions, to (i) all the issued Shares (other than those held as treasury shares and those held, directly and indirectly, by the Offeror, as at the date of the Exit Offer) and (ii) any Second Tranche Shares unconditionally issued prior to the Closing Date (collectively, "**Offer Shares**").

(c) Conditions of the Delisting and the Exit Offer

The Delisting and the Exit Offer will be conditional on the Delisting Resolution being approved by a majority of at least seventy-five per cent (75%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM to be convened for the Shareholders to vote on the Delisting Resolution (whereby the Offeror Concert Party Group must abstain from voting on the Delisting Resolution) (the "**Delisting Resolution Approval Condition**").

Under Rule 1307(2) of the Catalist Rules, the Offeror Concert Party Group must abstain from voting on the Delisting Resolution. However, the SIC has ruled that subject to the submission to the SIC of the relevant confirmations, the Undertaking Shareholders (other than (i) Mr. Serge Pun; (ii) FMI; (iii) YSIL (a wholly-owned subsidiary of YSH); and (iv) ACE, who are deemed members of the Offeror Concert Party Group) and the Bondholder, and their respective concert parties (the "**Excluded Undertaking Entities**") will not be regarded as parties acting in concert with the Offeror for the purposes of the Exit Offer solely by virtue of the Irrevocable Undertakings or the Bondholder Undertaking (as the case may be) executed by them. Accordingly, the Excluded Undertaking Entities are entitled to vote on the Delisting Resolution, and Samena and SHC have given the undertakings to do so pursuant to their respective Irrevocable Undertakings.

(d) Minimum Acceptance Condition

The Exit Offer will be subject to the Offeror having received, by the close of the Exit Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror Concert Party Group, will result in the Offeror and any parties acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued share capital of MGL as at the close of the Exit Offer ("**Minimum Acceptance Condition**").

The Exit Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Exit Offer, unless at any time prior to the close of the Exit Offer, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with Shares owned, controlled or agreed to be acquired by or on behalf of the Offeror Concert Party Group (either before or during the Exit Offer and pursuant to the Exit Offer or otherwise), will result in the Offeror Concert Party Group holding such number of Shares carrying more than fifty per cent (50%) of the voting rights attributable to the maximum potential issued share capital of the Company, assuming that the Second Tranche Shares have been allotted and issued, but excluding the Conversion Shares. Such acceptance condition will be met when the Undertaking Shareholders tender their acceptances for the Exit Offer in accordance with the Irrevocable Undertakings and subject to Shareholders' Approval being obtained at the EGM.

The procedures for acceptance and settlement of the Exit Offer are set out in Appendix 2 to this Exit Offer Letter. Shareholders may choose to accept the Exit Offer in respect of all or any of their holdings of Offer Shares. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances will be conditional upon Shareholders' Approval of the Delisting Resolution being obtained at the EGM. If Shareholders' Approval of the Delisting Resolution is not obtained at the EGM, the Delisting will not proceed, the Exit

Offer will lapse and the Offeror will cease to be bound by any acceptances of the Exit Offer. The Offer Shares in respect of which acceptances have been received will be returned to the relevant Shareholders in accordance with the procedures set out in this Exit Offer Letter.

**Shareholders should note that if Shareholders' Approval is obtained at the EGM, the Company will apply to the SGX-ST to be delisted from the Catalist of the SGX-ST, regardless of the acceptance level of the Exit Offer. The Delisting will be conditional upon the SGX-ST's Approval. Following the Delisting, Shareholders who do not accept the Exit Offer will continue to hold Shares, and the Company will then be a public unlisted company.**

**In the event that the Minimum Acceptance Condition is fulfilled, subject to Shareholders' Approval being obtained at the EGM, the Exit Offer will become unconditional as to acceptances as at the date of the EGM, assuming the Undertaking Shareholders have tended their acceptances for the Exit Offer on or prior to the date of the EGM.**

**In the event that the Minimum Acceptance Condition is not fulfilled, and the Shareholders' Approval has been obtained at the EGM, the Exit Offer will lapse and all acceptances of the Exit Offer will be returned. In such an event, subject to the SGX-ST's Approval being granted, the Company will be delisted from the Catalist of the SGX-ST, and Shareholders will hold shares in a public unlisted company.**

(e) No Encumbrances

The Offer Shares to be acquired will be (i) fully paid; (ii) free from all Encumbrances; and (iii) together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all Distributions, if any, which may be announced, declared, paid or made thereon by the Company, on or after the Joint Announcement Date (collectively, "**Entitlements**").

If any of the Entitlements is announced, declared, made or paid by the Company on or after the Joint Announcement Date, the Offeror reserves the right to reduce the Exit Offer Consideration by the amount of such Entitlement.

(f) Warranty by Accepting Shareholder

Acceptance of the Exit Offer by a Shareholder will be deemed to constitute an unconditional and irrevocable warranty by that Shareholder that each Offer Share accepted is sold by him as, or on behalf of, the beneficial owner(s) thereof, are (a) fully paid; (b) free from all Encumbrances; and (c) together with all Entitlements attached thereto as at the Joint Announcement Date, and thereafter attaching thereto (including the right to receive and retain all Distributions (if any) which may be announced, declared, paid or made thereon by the Company on or after the Joint Announcement Date).

(g) Duration of the Exit Offer

The Exit Offer is open for acceptance by Shareholders from the date of despatch of the Delisting Circular and this Exit Offer Letter. Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances will be conditional upon the Delisting Resolution being passed at the EGM. If the Delisting Resolution is not passed at the EGM, the Exit Offer will lapse and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder.

If the Delisting Resolution is approved by the Shareholders at the EGM, the Exit Offer will remain open for acceptance for a period of fourteen (14) days after the date of the announcement of the fulfilment of the Delisting Resolution Approval Condition. Accordingly, the Exit Offer will close at **5:30 p.m. (Singapore time) on 2 December 2022.**

**THE OFFEROR DOES NOT INTEND TO EXTEND THE EXIT OFFER BEYOND 5:30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE. NOTICE IS HEREBY GIVEN THAT THE EXIT OFFER WILL NOT BE OPEN FOR ACCEPTANCE BEYOND 5:30 P.M. (SINGAPORE TIME) ON THE CLOSING DATE.**

**2.2 Constitution of the Offeror**

The New Offeror Shares will be subject to the terms of the Offeror Constitution. A summary of the key terms of the Offeror Constitution is set out below:

(a) Article 103 of the Offeror Constitution:

**Number of Directors.** Subject to the other provisions of Section 145 of the Companies Act, there shall be at least one director who is ordinarily resident in Singapore and there shall be a maximum of eight (8) directors.

(b) Article 115 of the Offeror Constitution:

**Appointment of Directors.** The right to appoint directors shall be determined based on percentage shareholding, with each block of twelve per cent (12%) shareholding entitling the shareholder to appoint one (1) director, and (for the avoidance of doubt) in the case of a shareholder with at least twenty-four per cent (24%) shareholding in the Offeror, it shall have the right to appoint two (2) directors. All the remaining shareholders shall also have the right to appoint up to two (2) directors subject to approval by such shareholders who represent a majority of the total voting rights of such remaining shareholders. The Offeror Board may unanimously agree to appoint such number of independent and non-executive directors as it deems appropriate.

(c) Article 134C of the Offeror Constitution:

**Shareholders Reserved Matters.** The consent of eighty-five per cent (85%) of the votes of all issued and outstanding shares in the Offeror from time to time at a shareholders' meeting is required for the following reserved matters:

(i) Any change in the share capital or capital structure (including the issuance of new shares or instruments convertible into equity) of the Offeror;

(ii) Amendment to the Offeror Constitution;

(iii) The undertaking of any new business;

(iv) The expansion of the existing business into new geographies outside of Myanmar;

(v) Determination of the profit distribution and any funding requirement from shareholders; and

(vi) Any affiliated transaction excluding those categories of interested person transactions set out in the mandate for interested person transactions of the Company as detailed in the addendum dated 12 January 2021.

(d) Article 134A of the Offeror Constitution:

**Board Reserved Matters requiring Unanimous Consent.** The unanimous approval of the Offeror Board is required for the following reserved matters:

(i) Approval of the annual operating budget;

(ii) Amendment to the Offeror Constitution;

(iii) Merger, division, consolidation and reorganisation of the Offeror;

(iv) Termination, dissolution or liquidation of the Offeror;

(v) Purchase or sale of any asset with an amount exceeding ten per cent (10%) of latest audited net asset value of the Offeror;

(vi) Borrowing over ten per cent (10%) of latest audited net asset value of the Offeror;

(vii) Providing a mortgage, pledge or guarantee in favour of any party where such pledge or guarantee is against any borrowings permissible under Section 2.2(d)(vi) above or as approved as part of the annual operating budget;

(viii) The adoption of an ESOP, and any amendment thereto other than the ESOP agreed as part of the Exit Offer; and

(ix) Allocation of ESOP shares and adjustments to the salary and other emoluments of the key management comprising the Chairman and C-Suite executives of the Offeror.

(e) Article 134B of the Offeror Constitution

**Board Reserved Matters requiring Consent of more than 75% of the Directors.** More than seventy-five per cent (75%) consent of the Offeror Board is required for the appointment or change in remuneration or significant employment terms of the Chief Executive Officer, Chief Financial Officer and/or Chief Operating Officer of the Offeror.

(f) Article 41A of the Offeror Constitution:

**Right of First Refusal.** In the event that a shareholder (not being FMI) proposes to sell or otherwise dispose of its shares in the capital of the Offeror to a third party ("**Selling Party**"), each of the other shareholders (including, for the avoidance of doubt, FMI) shall have the right of first refusal to acquire such shares from the Selling Party *pro-rata* to its shareholding in the Offeror.

(g) Article 53 of the Offeror Constitution:

**Issuance of new Shares to Shareholders.** Unless otherwise determined by the Offeror in general meeting, any new shares shall, before issue, be offered in the first instance to all the then holders of any class of shares in proportion as nearly as may be to the number of existing shares to which they are entitled. In offering such shares in the first instance to all the then holders of any class of shares the offer shall be made by notice specifying the number of shares offered and limiting the time within which the offer if not accepted will be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Offeror Board may dispose of those shares in such manner as they think most beneficial to the Offeror and the Offeror Board may dispose of or not issue any such shares which by reason of the proportion borne by them to the number of holders entitled to any such offer or by reason of any other difficulty in apportioning the same cannot, in the opinion of the directors, be conveniently offered under this regulation.

(h) Article 41B of the Offeror Constitution:

**Other Restriction on Transfers.** A shareholder (not being FMI) which proposes to sell or otherwise dispose of its shares in the capital of the Offeror requires the written consent of the other non-transferring shareholders holding at least thirty per cent (30%) interest in the Offeror. None of the shareholders shall transfer its shares in the Offeror to persons on the sanctions list.

(i) Article 41C of the Offeror Constitution:

**Drag Along rights.** In the event that any one or more shareholders holding more than thirty per cent (30%) of the Offeror's shares proposes to sell all their shares in the Offeror at a price that is not less than the valuation of the Company's business at which the offer is made to a *bona fide* buyer, they shall have the right to require the other shareholders (if required by the buyer) to sell some or all of their shares in the Offeror as part of such sale at the same price and terms. This drag along right shall only apply after the third anniversary of the Closing Date.

(j) Article 41D of the Offeror Constitution:

**Founder's Obligations.** FMI shall not sell, dispose of or transfer any of its shares in the Offeror or any interest therein, and will procure that none of its affiliates or associated companies will sell, dispose of or transfer their shareholding interest in the Offeror (whether direct or indirect), for a period of three (3) years from Closing Date; and thereafter, if it proposes to sell any shares, the other shareholders shall have the right to participate in such sale on a *pro rata* basis.

(k) Article 134D of the Offeror Constitution:

**Information Rights.** The Offeror shall, upon request of a director, provide to the Offeror Board monthly management accounts of the Offeror and each subsidiary or associated company, no later than twenty (20) days after the end of the relevant month.

**Please note that the above list may not be exhaustive. Shareholders are advised to refer to Appendix 8 to this Exit Offer Letter for the relevant extracts of the Offeror Constitution.**

**Assuming that Shareholders' Approval is obtained at the EGM and the Minimum Acceptance Condition is fulfilled at the close of the Exit Offer, the Offeror Constitution will bind all accepting Shareholders who have been issued the Offeror Shares.**

## 3. VOTING ON THE DELISTING RESOLUTION AT THE EGM AND COURSES OF ACTION IN RELATION TO THE EXIT OFFER

### 3.1 Voting on the Delisting Resolution

The Offeror is making the Exit Offer in order to facilitate the Delisting and accordingly, the Exit Offer is conditional upon the Delisting Resolution being approved by Shareholders at the EGM. Shareholders may vote all or any number of Shares held by them for or against the Delisting Resolution, regardless of whether or not they wish to accept the Exit Offer.

(a) Shareholders who support the Delisting and wish to retain their Shares may vote in favour of the Delisting Resolution at the EGM and reject the Exit Offer;

(b) Shareholders who support the Delisting but wish to sell their Shares may vote in favour of the Delisting Resolution at the EGM and accept the Exit Offer; and

(c) Shareholders who do not support the Delisting and wish to retain their Shares may abstain from voting on or vote against the Delisting Resolution at the EGM and reject the Exit Offer.

Assuming that Shareholders' Approval is obtained at the EGM, Shareholders who wish to retain their Shares and reject the Exit Offer do not need to take any action. Shareholders who wish to sell their Shares and accept the Exit Offer should complete, sign and return the relevant Acceptance Form. Please refer to Appendix 2 of this Exit Offer Letter for further details.

Shareholders should note that the Company will, subject to the SGX-ST's Approval, be delisted from the Catalist of the SGX-ST after the close of the Exit Offer, irrespective of the level of acceptances of the Exit Offer. In such an event, Shareholders who do not accept the Exit Offer will be left holding shares in a public unlisted company.

**3.2 Acceptance of the Exit Offer**

The Exit Offer may only be accepted by the relevant Shareholder (or, as the case may be, the Depositor holding Offer Shares through CDP) to whom this Exit Offer Letter is addressed. **Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptance is conditional upon Shareholders' Approval being obtained at the EGM. Shareholders should note that if the Delisting Resolution is not passed at the EGM, the Delisting will not proceed and the Company will remain listed on the Catalist of the SGX-ST. The Exit Offer will also lapse and the Offeror will cease to be bound by any prior acceptances of the Exit Offer by any Shareholder. The Offer Shares in respect of which acceptances have been received shall be returned to the relevant Shareholders in accordance with the procedures set out in this Exit Offer Letter and in the relevant Acceptance Forms (as the case may be).**

**SHAREHOLDERS SHOULD NOTE THAT APPROVING THE DELISTING RESOLUTION AT THE EGM DOES NOT AUTOMATICALLY MEAN THAT YOU HAVE ACCEPTED THE EXIT OFFER.**

**3.3 Courses of Action in relation to the Exit Offer**

Shareholders

**(a)** **If you decide to reject the Exit Offer,** you do not have to take any action.

**(b)** **If you decide to accept the Exit Offer,** you should complete, sign and return the relevant Acceptance Form in accordance with the provisions and instructions in this Exit Offer Letter and in the relevant Acceptance Form during the period commencing from the date of despatch of this Exit Offer Letter and ending at 5.30 p.m. (Singapore time) on the Closing Date.

If you are a Registered Shareholder and wish to accept the Exit Offer in respect of such Offer Shares, you should not deposit the share certificate(s) with CDP during the period commencing on the date of this Exit Offer Letter and ending at 5.30 p.m. (Singapore time) on the Closing Date (both dates inclusive) as the "Free Balance" of your Securities Account may not be credited with the relevant number of Offer Shares in time for you to accept the Exit Offer.

The detailed procedures for acceptance of the Exit Offer are set out in Appendix 2 to this Exit Offer Letter for your information.

**4. RULINGS FROM THE SIC**

An application was made by the Offeror to the SIC to seek clarification regarding the extent to which the provisions of the Code applied to the Exit Offer. The SIC has ruled, *inter alia*, that:

(a) the Offeror is exempted from the requirement under Rule 19 of the Code to make an appropriate offer or proposal to the Bondholder in respect of the Convertible Bonds;

(b) the Exit Offer is exempted from compliance with the following provisions of the Code:

(i) Rule 20.1 to keep the Exit Offer open for fourteen (14) days after it has been revised;

(ii) Rule 22 on the offer timetable;

(iii) Rule 28 on acceptances; and

(iv) Rule 29 on the right of acceptors to withdraw their acceptances,

subject to:

(1) shareholder approval for the Delisting Resolution being obtained within three (3) months from the Joint Announcement Date;

(2) the Exit Offer remaining open for at least:

(A) twenty-one (21) days after the date of the despatch of the Exit Offer Letter if the Exit Offer Letter, together with the relevant Acceptance Form(s), are despatched after Shareholders' Approval has been obtained; or

(B) fourteen (14) days after the date of the announcement of Shareholders' Approval if the Exit Offer Letter, together with the relevant Acceptance Form(s), are despatched on the same date as the Delisting Circular; and

(3) disclosure in the Delisting Circular of:

(A) the consolidated NTA per Share of the group comprising MGL, its subsidiaries and associated companies based on the latest published accounts prior to the date of the Delisting Circular; and

(B) particulars of all known material changes as of the latest practicable date which may affect the consolidated NTA per Share referred to in Section 4(b)(3)(A) or a statement that there are no such known material changes;

(c) subject to the submission to the SIC of the relevant confirmations, the Excluded Undertaking Entities will not be regarded as parties acting in concert with the Offeror for the purposes of the Exit Offer solely by virtue of the Irrevocable Undertakings or the Bondholder Undertaking (as the case may be) executed by them. As of the Joint Announcement Date, the relevant confirmations have been submitted to the SIC;

(d) subject to the submission to the SIC of the relevant confirmations, the presumption that the close relatives (other than immediate family members) (the "**Relevant Close Relatives**") of the directors of FMI and YSH and the group of companies (except for Mr. Serge Pun and Mr. Tun Tun (the "**Excluded Directors**")) are acting in concert with the Excluded Director is rebutted. As of 6 October 2022, the relevant confirmations that have been received by the Offeror have been submitted to the SIC.;

(e) only the Offeror Directors would be required to accept joint and several liability for each document and advertisement addressed to Shareholders in connection with the Exit Offer;

(f) the confirmation of the adequacy of financial resources to be furnished by SAC Capital pursuant to Rule 3.5 of the Code as well as in the Exit Offer Letter pursuant to Rule 23.8 of the Code can be limited to the extent of the amount of cash required to pay for all Shares held by all Shareholders other than the Undertaking Shareholders and the Bondholder; and

(g) Each of Mr. Serge Pun, Mr. Cyrus Pun and Mr. Tun Tun, being directors of MGL, is exempted from the requirement to make a recommendation to the Shareholders in connection with the Exit Offer.

Nevertheless, Mr. Serge Pun, Mr. Cyrus Pun and Mr. Tun Tun, together with the remainder of the Board, will still assume responsibility for the accuracy of the facts stated and completeness of the information given by the Company to the Shareholders on the Exit Offer, including information contained in announcements and documents issued by, or on behalf of, the Company in connection with the Exit Offer.

Mr. Basil Chan, Mr. Robin Lee Chye Beng and Mr. Chan Chun Hung Vincent, being the remaining Directors of the Company, will be considered independent for the purposes of providing a recommendation on the Exit Offer to the Shareholders.

## 5. INFORMATION ON THE OFFEROR CONCERT PARTY GROUP

### 5.1 The Offeror

(a) The Offeror is a special purpose vehicle incorporated in Singapore on 23 August 2022 for the purposes of the Delisting and the Exit Offer. Its principal activity is that of investment holding. As at the Latest Practicable Date, the Offeror is a wholly-owned subsidiary of FMI. In the event that the number of Shareholders who elect to receive the Share Consideration will result in the Offeror having more than fifty (50) shareholders, it is intended that the Offeror will be converted from a private company to a public company, pursuant to and in accordance with the provisions of the Companies Act.

(b) FMI is a public company incorporated in the Republic of the Union of Myanmar and listed on the Yangon Stock Exchange. FMI is an investment holding company that owns shares in companies engaged in a number of diverse businesses, including core businesses in the financial services, real estate, healthcare and tourism sectors. Its directors are Mr. Serge Pun (Executive Chairman), Mr. Tun Tun (Executive Director and Chief Operating Officer), Mr. Linn Myaing (Non-Executive Director), Mr. Than Aung (Non-Executive Director), Dr. Aung Tun Thet (Independent Non-Executive Director), Mr. Kyi Aye (Non-Executive Director), Mr. Cezar Peralta Consing (Non-Executive Director) and Mr. Alberto Macapinlac de Larrazabal (Alternate Director to Mr. Cezar Peralta Consing).

As at the Latest Practicable Date, FMI directly owns 41,947,426 Shares, representing approximately 8.35% of the total number of Shares in issue.

(c) As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S$1 comprising one (1) ordinary share.

(d) The Offeror Directors are Mr. Serge Pun, Mr. Tun Tun and Mr. Cyrus Pun. As at the Latest Practicable Date, Mr. Serge Pun is directly interested in 103,000 Shares, representing approximately 0.02% of the total number of issued Shares and is deemed to be interested in an aggregate of 209,026,274 Shares, representing approximately 41.62% of the total number of issued Shares. Save as disclosed in this Section and in Appendix 6 to this Exit Offer Letter, as at the Latest Practicable Date, Mr. Serge Pun, Mr. Tun Tun and Mr. Cyrus Pun do not own or control, and have not entered into any agreement to acquire, any Company Securities.

(e) As at the Latest Practicable Date, the Offeror Concert Party Group (which includes Mr. Serge Pun, Mr. Tun Tun and Mr. Cyrus Pun) has an aggregate (direct and indirect[1]) interest in 250,260,794 Shares, representing approximately 49.84% of the total number of issued Shares.

(f) As at the Latest Practicable Date and save as disclosed herein, the Offeror does not own or control, and has not entered into any agreement to acquire, any Company Securities.

(g) Additional information on the Offeror and FMI is set out in Appendix 3 to this Exit Offer Letter.

**5.2 Information on other members of the Offeror Concert Party Group**

As at the Latest Practicable Date, the following parties are parties acting or presumed to be acting in concert with the Offeror :

(a) Mr. Serge Pun, being the executive chairman and controlling shareholder of FMI;

(b) FMI, being the sole shareholder of the Offeror;

(c) YSH, being an entity controlled by Mr. Serge Pun;

(d) YSIL, being a wholly-owned subsidiary of YSH; and

(e) ACE, a segregated portfolio company incorporated in the Cayman Islands.

Mr. Serge Pun is also the Executive Chairman and a Director of the Company.

[1] As at the Latest Practicable Date, Mr. Serge Pun holds 103,000 Shares, FMI holds 41,947,426 Shares and YSIL holds 167,078,848 Shares.

The aggregate shareholding of the Offeror Concert Party Group identified herein as at the Latest Practicable Date is approximately 49.84%. Please refer to Appendix 6 of this Exit Offer Letter for details of the Company Securities owned or controlled by the Offeror Concert Party Group.

**5.3 Information on Offeror's Shareholder Loan**

FMI has agreed to provide a shareholder loan(s) to the Offeror ("**Shareholder Loan**") in respect of the aggregate amount equivalent to the Cash Consideration multiplied by the total number of Offer Shares held by all Shareholders (which for the avoidance of doubt, excludes such shares held by the Undertaking Shareholders and the Bondholder) which are acquired by the Offeror during the Offer Period, and the Shareholder Loan, to the extent drawn down by the Offeror (to satisfy the amount of cash required to pay for all the Offer Shares for Shareholders who have elected for the Cash Consideration), may be capitalised into new Offeror Shares on or after the Closing Date at the Issue Price.

**5.4 ACE Undertaking**

The Offeror has obtained an irrevocable undertaking from ACE, pursuant to which ACE has undertaken, *inter alia*, the following:

(a) ACE shall not, and shall procure the parties acting in concert with it to not, take any action which will result in the Offeror and the subsidiaries and associated companies of the Offeror (the "**Offeror Group**") incurring an obligation to make a mandatory offer for the Company under Rule 14 of the Code;

(b) ACE shall not take any steps which will result in it and / or parties acting in concert with it incurring an obligation to make a mandatory offer for the Company under Rule 14 of the Code without first (i) obtaining a ruling from the SIC that the Offeror Group is not acting in concert with the Offeror, and (ii) procuring the parties acting in concert with it to comply with all the relevant requirements of the Code; and

(c) except with the prior written consent of the Offeror, ACE shall not and shall procure the parties acting in concert with it to not, directly or indirectly, buy, borrow, sell, transfer, lend, mortgage, charge, otherwise acquire or dispose (whether for any consideration or otherwise), take or create any pledge, lien or other encumbrance of any nature whatsoever over any legal or beneficial interest in the shares of the Company and/or the Offeror (or any voting rights in such shares), or take any action or enter into any arrangements in connection with or in contemplation of the foregoing.

**5.5 Arrangement entered into by YSH and YSIL**

As previously disclosed in YSH's annual report for the FYE2021, YSH together with its subsidiaries (the "**Yoma Group**") held shares in MGL which were pledged to secure certain borrowings of the Yoma Group. YSH and YSIL intend to pledge their 167,078,848 New Offeror Shares for the same borrowings, assuming the completion of the successful Delisting.

### 5.6 Resultant Shareholdings of the Offeror

For illustrative purposes only, it is contemplated that following the close of the Exit Offer:

(a) **All Cash Consideration**

Assuming that (A) all Shareholders (save for the Undertaking Shareholders in accordance with the Irrevocable Undertakings) accept the Exit Offer and elect to receive the Cash Consideration as the Exit Offer Consideration for all their Offer Shares, (B) only the Undertaking Shareholders accept the Exit Offer and elect to receive the Share Consideration as the Exit Offer Consideration for all their Offer Shares in accordance with the Irrevocable Undertaking, and (C) the capitalisation is completed in respect of the entirety of the Shareholder Loan, the resultant shareholdings of the Offeror will be as follows:

| | **Based on the issued share capital of MGL as at the Latest Practicable Date[1]** | | **Based on the maximum potential issued share capital of MGL[2]** | |
|---|---|---|---|---|
| **Name of Offeror Shareholder** | **Number of issued Offeror Shares** | **Percentage of issued Offeror Shares (%)** | **Number of issued Offeror Shares** | **Percentage of issued Offeror Shares (%)** |
| FMI | 117,190,029[3] | 23.3 | 121,080,669[4] | 23.9 |
| Mr. Serge Pun | 103,000 | n.m.[5] | 103,000 | n.m.[5] |
| YSIL[6] | 167,078,848 | 33.3 | 167,078,848 | 33.0 |
| ACE | 41,131,520 | 8.2 | 41,131,520 | 8.1 |
| Samena | 141,004,800 | 28.1 | 141,004,800 | 27.9 |
| SHC | 35,662,759 | 7.1 | 35,662,759 | 7.1 |
| **Total** | **502,170,956** | **100.0** | **506,061,596** | **100.0** |

**Notes:**

(1) Based on the issued share capital of MGL of 502,170,955 Shares as at the Latest Practicable Date.

(2) The maximum potential issued share capital of MGL will comprise 506,061,595 Shares assuming that the Second Tranche Shares have been allotted and issued as at the date of the Exit Offer, but excluding the Conversion Shares.

(3) Comprising (i) FMI's 41,947,427 Offeror Shares and (ii) 75,242,602 Offeror Shares arising from capitalisation in respect of the entirety of the Shareholder Loan as further set out in Section 5.3 of this Exit Offer Letter.

(4) Assuming that the Second Tranche Shares of 3,890,640 new Shares are allotted and issued to UKNMW as at the date of the Exit Offer and UKNMW elects to receive the Cash Consideration as the Exit Offer Consideration for its Offer Shares.

(5) "n.m." means not meaningful.

(6) Please refer to Section 5.5 above for details of the charge over the New Offeror Shares that will be held by YSIL.

(b) **All Share Consideration**

Assuming that (A) all Shareholders (including the Undertaking Shareholders in accordance with the Irrevocable Undertaking) accept the Exit Offer and elect to receive the Share Consideration as the Exit Offer Consideration for all their Offer Shares, and (B) the capitalisation is accordingly not relevant, the resultant shareholdings of the Offeror will be as follows:

| | **Based on the issued share capital of MGL as at the Latest Practicable Date[1]** | | **Based on the maximum potential issued share capital of MGL[2]** | |
|---|---|---|---|---|
| **Name of Offeror Shareholder** | **Number of issued Offeror Shares** | **Percentage of issued Offeror Shares (%)** | **Number of issued Offeror Shares** | **Percentage of issued Offeror Shares (%)** |
| FMI | 41,947,427 | 8.4 | 41,947,427 | 8.3 |
| Mr. Serge Pun | 103,000 | n.m.[3] | 103,000 | n.m.[3] |
| YSIL[4] | 167,078,848 | 33.3 | 167,078,848 | 33.0 |
| ACE | 41,131,520 | 8.2 | 41,131,520 | 8.1 |
| Samena | 141,004,800 | 28.1 | 141,004,800 | 27.9 |
| SHC | 35,662,759 | 7.1 | 35,662,759 | 7.0 |
| Other Shareholders | 75,242,602 | 14.9 | 79,133,242[5] | 15.7 |
| **Total** | **502,170,956** | **100.0** | **506,061,596** | **100.0** |

**Notes:**

(1) Based on the issued share capital of MGL of 502,170,955 Shares as at the Latest Practicable Date.

(2) The maximum potential issued share capital of MGL will comprise 506,061,595 Shares assuming that the Second Tranche Shares have been allotted and issued, but excluding the Conversion Shares.

(3) "n.m." means not meaningful.

(4) Please refer to Section 5.5 above for details of the charge over the New Offeror Shares that will be held by YSIL.

(5) Assuming that the Second Tranche Shares of 3,890,640 new Shares are allotted and issued to UKNMW as at the date of the Exit Offer and UKNMW elects to receive the Share Consideration as the Exit Offer Consideration for its Offer Shares.

## 6. INFORMATION ON THE COMPANY

6.1 The Company is incorporated in Singapore and is listed on the Catalist of the SGX-ST. The Group operates an integrated tourism platform comprising the hotels, experiences and services business segments, and provides consultancy and management services for other third-party tourism businesses. Additional information on the Company can be found at its website at http://memoriesgroup.com.

6.2 As at the Latest Practicable Date:

(a) based on a search conducted at ACRA, the Company has an issued and paid-up share capital of S$129,125,466.65 comprising 502,170,955 Shares;

(b) save for the Options and the Convertible Bonds, the Company does not have any other outstanding options, rights, warrants or other instruments convertible into, exercisable for or redeemable with, any Shares;

(c) the Company does not have any treasury Shares; and

(d) the Directors are Mr. Serge Pun (Executive Chairman), Mr. Cyrus Pun (Chief Executive Officer and Executive Director), Mr. Tun Tun (Non-Executive Non-Independent Director), Mr. Basil Chan (Lead Independent Director), Mr. Robin Lee Chye Beng (Independent Director), and Mr. Chan Chun Hung Vincent (Non-Executive Non-Independent Director).

6.3 Outstanding Shares

On 30 May 2018, the Company announced the acquisition of the Kayah Resort business from the vendors, Wa Minn Group of Companies Company Limited (the "**Wa Minn Group**") and U Kun Naung Myint Wai ("**UKNMW**") for the fair value consideration of US$2,900,000. The purchase consideration (the "**KR Purchase Consideration**") comprises cash consideration of US$1,450,000 (the "**KR Cash Consideration**") payable to the Wa Minn Group and 7,781,280 new ordinary shares of the Company (the "**Consideration Shares**") at an issue price of $0.25 per Consideration Share payable to UKNMW.

(a) First tranche. The first tranche comprises US$725,000 in cash (being fifty per cent (50%) of the KR Cash Consideration) and 3,890,640 new Shares (being fifty per cent (50%) of the Consideration Shares) which shall be allotted and issued within one month from the date of completion. On 7 June 2018, the Company allotted and issued the first tranche of 3,890,640 Consideration Shares to UKNMW.

(b) Second tranche. The second tranche comprises US$580,000 in cash (being forty per cent (40%) of the KR Cash Consideration) and 3,890,640 new Shares (being the remaining fifty per cent (50%) of the Consideration Shares) (the "**Second Tranche Shares**") which shall be allotted and issued within one month from the date of satisfaction of the initial conditions subsequent. As at the Latest Practicable Date, the initial conditions subsequent have not been satisfied, and the second tranche KR Purchase Consideration has not been paid to UKNMW.

(c) Final tranche. The final tranche comprises US$145,000 in cash (being the remaining ten per cent (10%) of the KR Cash Consideration) upon satisfaction of the final conditions subsequent. As at the Latest Practicable Date, the final conditions subsequent have not been satisfied and the final tranche KR Purchase Consideration has not been paid to UKNMW.

Assuming that the Second Tranche Shares are allotted and issued to UKNMW by the date of the Exit Offer, the total number of issued and paid-up ordinary shares of MGL will be 506,061,595 Shares.

6.4 Additional information on the Company is set out in Appendix 5 to this Exit Offer Letter.

## 7. UNDERTAKINGS

### 7.1 Irrevocable Undertakings

(a) The Offeror has obtained Irrevocable Undertakings from each of the Undertaking Shareholders, who collectively hold an aggregate of 426,928,353 Shares representing approximately 85.02% of the total number of issued Shares, pursuant to which each of the Undertaking Shareholders has undertaken and/or agreed to, *inter alia*, the following:

(i) vote, or procure the voting of, all their Shares (the "**Relevant Shares**") in favour of the Delisting Resolution and any other matter proposed to implement the Delisting at any meeting of the Shareholders to approve the Delisting and at any adjournment thereof (provided that Mr. Serge Pun, FMI, YSIL and ACE (who are members of the Offeror Concert Party Group) would not be permitted to vote on the Delisting Resolution);

(ii) accept, or procure the acceptance of, the Exit Offer in respect of all the Relevant Shares owned or controlled, directly or indirectly, or agreed to be acquired by the Undertaking Shareholders on or prior to the Closing Date;

(iii) elect, or procure the election, to receive only the Share Consideration for all the Relevant Shares and to execute all documents and do all acts, which may be required by the Company, the Offeror, the Share Registrar or the Company Secretary of the Company, or CDP to give effect to the election; and

(iv) not accept any other offer from any other party for all or any of the Relevant Shares.

Notwithstanding the foregoing, Mr. Serge Pun, FMI, YSIL and ACE, who are members or presumed to be members of the Offeror Concert Party Group, would not be permitted to vote on the Delisting Resolution. While the Excluded Undertaking Entities, comprising Samena, SHC and the Bondholder, would be permitted to vote on the Delisting Resolution, only Samena and SHC hold Shares as at the Joint Announcement Date. While ACE and YSIL are members of the Offeror Concert Party Group, they are not related corporations of the Offeror. The respective shareholdings of the Excluded Undertaking Entities in MGL are set out in Appendix 6 of this Exit Offer Letter.

(b) The Irrevocable Undertakings shall terminate, lapse and cease to have any effect on the earlier of:

(i) the effective date of the Delisting; or

(ii) in the event the Delisting lapses or is terminated in accordance with its terms without the Delisting becoming effective for any reason other than a breach by the relevant Undertaking Shareholder of any of the obligations in the Irrevocable Undertakings, the date of lapsing or termination of the Exit Offer.

**7.2 Bondholder Undertaking**

(a) The Offeror has obtained the Bondholder Undertaking from the Bondholder, pursuant to which the Bondholder has undertaken and/or agreed, *inter alia*, the following:

(i) waive all obligations of the Company in relation to the maintenance of the listing of and quotation for all the Shares on the Catalist of the SGX-ST pursuant to the Convertible Bond subscription agreement and all relevant documents relating to the Convertible Bonds;

(ii) not to transfer or assign all or any part of the Convertible Bonds registered in its name to any third party, including any entity that is controlled by the common major shareholders of the Bondholder;

(iii) not to convert all or any of the Convertible Bonds into Conversion Shares;

(iv) not to exercise any of its rights to redeem all or any of the Convertible Bonds;

(v) not accept any other offer from any other party for all or any of the Convertible Bonds; and

(vi) to reject and waive its rights to receive a comparable offer for its Convertible Bonds under Rule 19 of the Code.

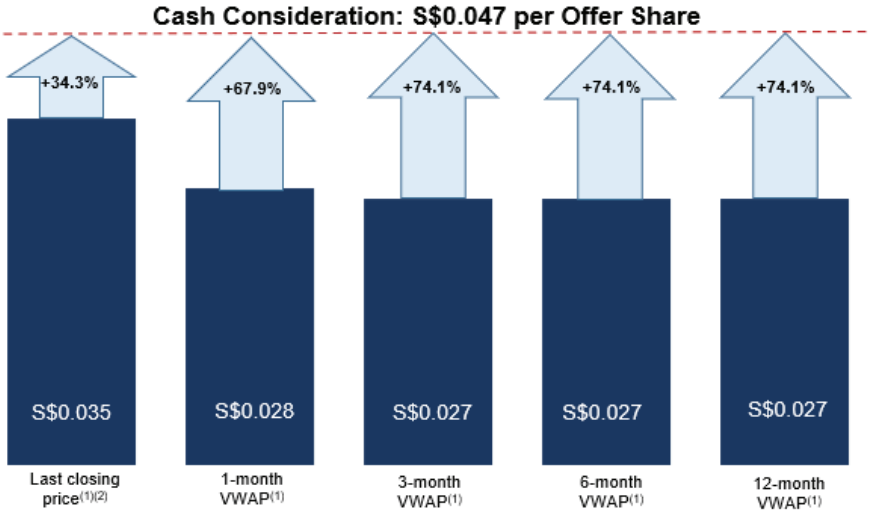
(b) The Bondholder Undertaking will terminate, lapse and cease to have any effect on the earlier of: (i) the effective date of the Delisting; or (ii) in the event the Delisting lapses or is terminated in accordance with its terms without the Delisting becoming effective for any reason other than a breach by the Bondholder of any obligation in the Bondholder Undertaking, the date of lapsing or termination of the Exit Offer.

## 8. RATIONALE FOR THE DELISTING AND EXIT OFFER

### 8.1 Opportunity for Shareholders to realise their investment in the Shares at a premium to the historical traded prices (for the relevant periods prior to and including the Holding Announcement Date)

In view of the challenging and uncertain macroeconomic and operating environment due to, *inter alia*, the COVID-19 pandemic, political uncertainties in Myanmar, and adverse global economic outlook stemming from rising inflation rates, the Offeror is of the opinion that the Cash Consideration represents an attractive exit opportunity for Shareholders to exit their entire investment with price certainty at a premium to historical traded prices (for the relevant periods prior to and including the Holding Announcement Date) without incurring brokerage and other trading costs.

(a) The Cash Consideration is at a premium above the historical traded prices (for the relevant periods prior to and including the Holding Announcement Date)

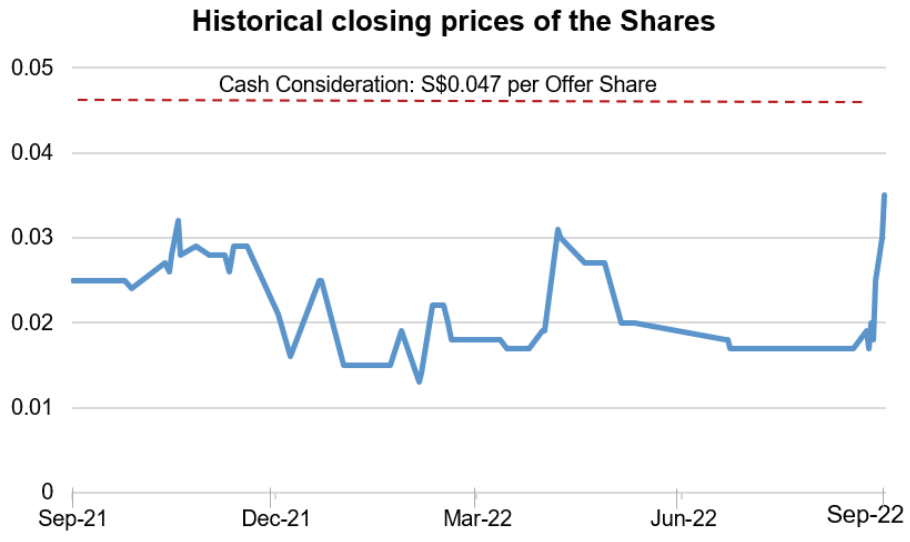



**Notes:**

(1) The historical traded prices and the corresponding premium are computed based on data extracted from Bloomberg L.P.

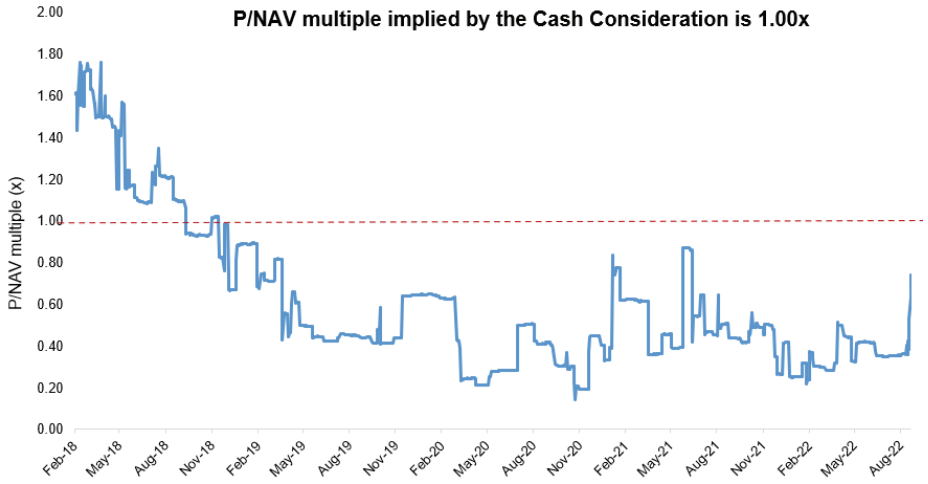
(2) Last closing price per Share on the Last Undisturbed Trading Day.

As set out in the chart above, the Cash Consideration of S$0.047 per Offer Share represents a premium of approximately 67.9%, 74.1%, 74.1% and 74.1% above the VWAP per Share for the 1-month, 3-month, 6-month and 12-month periods respectively up to and including the Last Undisturbed Trading Day. The Cash Consideration also represents a premium of 34.3% above the last closing price per Share of S$0.035 on the Last Undisturbed Trading Day.



As illustrated in the price chart above, the Shares have traded below the Cash Consideration for the preceding 1-year period up to and including the Last Undisturbed Trading Day.

(b) The Company's P/NAV multiple of 1.00x implied by the Cash Consideration exceeds its historical averages over the last 3 years prior to the Holding Announcement Date




The P/NAV multiple as implied by the Cash Consideration is 1.00x, calculated based on the Company's unaudited NAV per Share of S$0.047[2] as at 30 June 2022. This represents a premium of 163.2% and 132.6% above the average P/NAV multiples of 0.38x[3] and 0.43x[3] for the 1-year and 3-year periods up to and including the Last Undisturbed Trading Day respectively.

Based on the chart above and for periods prior to the Holding Announcement Date, the Shares have never closed at or above a P/NAV multiple of 1.00x since 23 November 2018.

(c) Share prices and volume activity after the Company's Holding Announcement

The Company made the Holding Announcement in response to an increase in the share price and volume in the trading of the Shares prior to the Last Undisturbed Trading Day, and reference was made in the Holding Announcement to a possible general offer for all the Shares. At the time of the Holding Announcement, the Delisting Proposal had not been presented to the Board nor was there any certainty that it would be presented. Save as disclosed in the Holding Announcement, the Company did not, during the period between the Last Undisturbed Trading Day and 9 September 2022, announce any other corporate action or transaction and/or any other material development which could explain the increase in the price and volume of the Shares traded during that period.

Although the Cash Consideration of S$0.047 per Offer Share represents a discount of approximately 49.5% to the last closing price per Share of S$0.093 on 9 September 2022, being the last full Market Day prior to the receipt of the Delisting Proposal, the Board is of the view that it would be more appropriate to benchmark the Cash Consideration against the historical traded prices for the relevant periods disclosed above prior to and including the Last Undisturbed Trading Day, as the traded prices and volume of the Shares during the period between the Last Undisturbed Trading Day and 9 September 2022, may have factored in or taken into consideration the Company's disclosures in the Holding Announcement.

---

[2] Based on the closing exchange rate of US$1:S$1.391 as at 30 June 2022 as extracted from Bloomberg L.P, rounded to the nearest 3 decimal places.

[3] The historical average P/NAV multiples are computed based on the daily closing prices up to and including the Last Undisturbed Trading Day and reflect the market capitalisation of the Shares at the end of each trading day divided by the net assets of the Group for the last reported financial period.

**8.2 Opportunity for Shareholders to exit their entire investment in the Company, which may otherwise be difficult due to the low trading liquidity of the Shares**

Historically, the trading volume of the Shares has been low, with an average daily trading volume of approximately 618,686 Shares, 218,103 Shares, 123,734 Shares and 66,752 Shares during the 1-month, 3-month, 6-month and 12-month periods respectively up to and including the Last Undisturbed Trading Day. Each of these trading volumes represents less than 0.13%[4] of the total number of issued Shares as at the end of the aforementioned relevant periods.

The Cash Consideration therefore provides Shareholders who might otherwise find it difficult to exit their investment in the Company as a result of the low trading volume in the Shares with an opportunity to realise their entire investment in the Shares in cash and at a premium above the historical traded prices (for the relevant periods prior to and including the Holding Announcement Date).

**In view of the generally low trading liquidity during the periods prior to and including the Last Undisturbed Trading Day, the Offeror believes that the Cash Consideration represents an opportunity for Shareholders to realise their investments in the Shares by way of a clean cash exit, at a price (without incurring any brokerage and other trading costs) which may not otherwise be readily available due to the low trading liquidity and low free float of the Shares during the aforementioned relevant periods.**

**8.3 Intention to delist and privatise the Company**

(a) Significant changes in market conditions necessitates greater management flexibility

Despite a successful listing on the Catalist of the SGX-ST in early 2018, the Group's businesses have been directly and significantly impacted by the ongoing COVID-19 pandemic since March 2020. While the healthcare crisis has mostly subsided, the effect on global travel, and particularly, arrivals to Myanmar, persists to this day with flight connection and capacity at a fraction of pre-pandemic levels. The impact on the Group's businesses was further exacerbated when Myanmar's military announced a State of Emergency in February 2021. The effect of this is exemplified by the current status that governments of several countries have issued advisories against non-essential travel to Myanmar. Being in the tourism industry, the Company has been especially disadvantaged by these black swan events, which resulted in significant impairment loss recognised in the Company's results for FYE2020 and FYE2021. There is no assurance that hindrance to travel in Myanmar will be fully lifted and/or political uncertainties will be resolved in the near-term. With a highly uncertain future ahead, the Offeror is of the view that the delisting of the Company will provide the Company with greater management flexibility in utilising and deploying its available resources, and facilitate the implementation of strategic, long-term turnaround initiatives and/or operational changes for the Company to protect the long-term competitiveness of the business.

(b) No need for access to public capital markets

Despite the management's efforts, the business and growth of the Group have been impacted by the challenging macroeconomic and operating environment as explained in Section 8.3(a) above. The Offeror believes that in order to turnaround the business, the Company will require time and continuing investment of funds to meet its ongoing financial commitments, to weather the severe disruption to the tourism sector and to pursue its growth objectives that may have minimal near-term payoff.

It is in this context that the Offeror believes that the delisting of the Company will provide the Offeror with greater control and flexibility to allow the Company to focus on the execution of its long-term turnaround business plans. This differs from the demand of the public capital markets which generally remains more short-term in nature. As the Company seeks additional financing, the Offeror believes that the Company is unlikely to undertake any

[4] Computed based on 502,170,955 Shares, being the total number of issued Shares as at the Latest Practicable Date.

meaningful access to the Singapore public capital markets in the foreseeable future as raising funds via the public capital markets is highly dependent on valuations and market conditions. Therefore, the Offeror believes that the listing status of the Company brings minimal benefits to the Company and its shareholders, unlike initially envisaged.

(c) Compliance costs of maintaining listing

If delisted, the Company will be able to dispense with compliance costs associated with maintenance of a listed status and other regulatory requirements, and channel such expenses towards its business operations.

**8.4 Shareholders have the option to elect to accept the Share Consideration**

If the Delisting is approved by Shareholders, under the terms of the Exit Offer, Shareholders will be given the option to elect to accept either the Cash Consideration or the Share Consideration, but not a combination of both. Shareholders with a longer-term view of the business prospects of the Group under the control of the Offeror can elect for the Share Consideration instead of the Cash Consideration, which will be in the form of the New Offeror Shares. However, as the New Offeror Shares are in a private unlisted company (unless it is converted into a public company for the reasons set out in Section 5.1(a) above), Shareholders should carefully consider the risk factors and restrictions of holding the New Offeror Shares set out in Appendix 4 and Appendix 8 respectively to this Exit Offer Letter should they wish to elect to receive the Share Consideration.

## 9. OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

**9.1 Delisting Resolution**

The Offeror does not intend to maintain or support any action taken or to be taken to maintain the present listing status of the Company and there is no plan in the foreseeable future for the Shares to be re-listed on any securities exchanges.

Shareholders should note that in the event the Delisting Resolution Approval Condition is satisfied, the **Company will, subject to the SGX-ST's Approval, be delisted from the Catalist of the SGX-ST on or after the close of the Exit Offer, irrespective of the number of acceptances received by the Offeror in respect of the Exit Offer.**

**If the Company is delisted from the Catalist of the SGX-ST, the Company (as a Singapore incorporated company) will remain subject to the provisions of the Companies Act and may be subject to provisions of the Code (if it converts into a public unlisted company) but will no longer be subject to the provisions of the Catalist Rules.** Shareholders at such time may wish to seek their own independent legal advice to familiarise themselves with their rights, *inter alia*, as a shareholder of a Singapore-incorporated company under the Companies Act.

**9.2 Offeror's Future Plans for the Company**

Following the close of the Exit Offer, the Offeror will undertake a review of the businesses, organisation and operations of the Company. This review will help the Offeror determine the optimal business strategy for the Company and thereafter, the Offeror may implement changes to the business and operations of the Company to navigate the challenging business environment. Shareholders will have an option to elect for the Share Consideration in the form of the New Offeror Shares.

Save as disclosed above, the Offeror has no current intention to (a) introduce any major changes to the business of the Company, (b) re-deploy the fixed assets of the Company, or (c) discontinue the employment of any of the existing employees of the Company or the Group, other than in the ordinary course of business.

Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Company.

## 10. COMPULSORY ACQUISITION

10.1 Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires ninety per cent (90%) or more of the Shares (other than those already held by the Offeror, its related corporations and their respective nominees as at the date of the Exit Offer and which, for the avoidance of doubt, excludes any issued and paid-up ordinary shares held by MGL as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Exit Offer ("**Dissenting Shareholders**") at a price equal to the Exit Offer Consideration.

10.2 The Offeror intends to make the Company its wholly-owned subsidiary. **Accordingly, if the Offeror receives acceptances pursuant to the Exit Offer in respect of not less than ninety per cent (90%) of the total number of Shares in issue as at the close of the Exit Offer (other than those already held by the Offeror, its related companies and their respective nominees as at the date of the despatch of the Exit Offer Letter), the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.** The Offeror will pay the Dissenting Shareholder(s) the Cash Consideration to acquire their Offer Shares if the Dissenting Shareholder(s) fails to validly make an alternative election for the Share Consideration within the time allowed under Section 215(1A) of the Companies Act.

10.3 In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with (a) the Shares held by it, its related corporations and their respective nominees, and (b) any issued and paid-up ordinary shares held by the Company as treasury shares, comprise ninety per cent (90%) or more of all the Shares and any issued and paid-up ordinary shares held by the Company as treasury shares, Dissenting Shareholders have a right to require the Offeror to acquire their Shares at the Exit Offer Consideration. In this case, the Offeror will pay the Dissenting Shareholder(s) the Cash Consideration to acquire their Offer Shares if the Dissenting Shareholder(s) fails to validly make an alternative election for the Share Consideration. Shareholders who wish to exercise such a right are advised to seek their own independent legal advice.

## 11. IMPLICATIONS AND LISTING STATUS

Shareholders should note that the Delisting is conditional upon the SGX-ST's Approval. Upon the Delisting Resolution being approved at the EGM, the Offeror understands that the Company will apply to the SGX-ST to be delisted from the Catalist of the SGX-ST.

Shareholders should also note that if the Delisting Resolution Approval Condition is fulfilled but, if for whatever reason, the SGX-ST's Approval is not obtained, the Company will remain listed on the Catalist of the SGX-ST and the following provisions in the Catalist Rules would remain relevant.

In such event, pursuant to Rule 1104 of the Catalist Rules, upon an announcement by the Offeror that acceptances have been received pursuant to the Exit Offer that bring the holdings owned by the Offeror Concert Party Group to above ninety per cent (90%) of the total number of issued Shares (excluding Shares held in treasury), the SGX-ST may suspend the trading of the Shares on the SGX-ST until it is satisfied that at least ten per cent (10%), of the total number of issued Shares (excluding Shares held in treasury) are held by at least 200 Shareholders who are members of the public. Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in garnering acceptances exceeding ninety per cent (90%) of the total number of issued Shares (excluding Shares held in treasury), thus causing the percentage of the total number of Shares (excluding Shares held in treasury) held in public hands to fall below ten per cent (10%), the SGX-ST will suspend trading of the Shares only at the close of the Exit Offer.

In addition, under Rule 724(1) of the Catalist Rules, if the percentage of the total number of issued Shares (excluding Shares held in treasury) held in public hands falls below ten per cent (10%), the Company must, as soon as practicable, notify its sponsor of that fact and announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding Shares held in treasury) in public hands to at least ten per cent (10%), failing which the Company may be delisted from the Catalist of the SGX-ST.

The Offeror intends to privatise the Company and does not intend to preserve the listing status of the Company. In the event that the trading of the Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1104 or Rule 1303(1) of the Catalist Rules, the Offeror has no intention to undertake or support any action for any such trading suspension by the SGX-ST to be lifted.

Shareholders should note that nevertheless, if the Delisting Resolution is approved in accordance with the requirements of the Catalist Rules, and the SGX-ST's Approval is obtained, the Company will be delisted, regardless of the acceptance level of the Exit Offer. Following the Delisting, Shareholders who do not accept the Exit Offer will continue to hold shares in the Company, which will then be a public unlisted company.

In such event, shareholders should note that shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies due to the lack of marketability. Following the Delisting, it is likely to be difficult for Shareholders who do not accept the Exit Offer to sell their Shares in the absence of a public market for the Shares, as there is no arrangement for such Shareholders to exit. Even if such Shareholders were able to sell their Shares, they would likely receive a lower price as compared with the market prices of the shares of comparable listed companies, or as compared with the Exit Offer Consideration. Further, any transfer or sale of Shares represented by share certificates will be subject to stamp duty.

Shareholders should also note that, under Rule 33.2 of the Code, except with the consent of the SIC, neither the Offeror nor any person acting in concert with it may, within six (6) months of the close of the Exit Offer, make a second offer to, or acquire any Shares from, any Shareholder on terms better than those made available under the Exit Offer. If the Company is delisted from the Catalist of the SGX-ST, it will no longer be required to comply with the listing requirements of the SGX-ST. Nonetheless, as a company incorporated in Singapore, the Company will still need to comply with the Companies Act and its Constitution, and the interests of Shareholders who do not accept the Exit Offer will be protected to the extent provided for by the Companies Act and the Constitution.

If the Company is delisted from the Catalist of the SGX-ST, each Shareholder who holds Shares that are deposited with CDP and does not accept the Exit Offer will be entitled to one (1) share certificate representing his delisted Shares. The Share Registrar will arrange to forward the share certificates to such Shareholders who are not CPFIS Investors or SRS Investors, by ordinary post and at the Shareholders' own risk, to their respective addresses as such addresses appear in the records of CDP for their physical safekeeping. The share certificates belonging to CPFIS Investors and SRS Investors will be forwarded to their respective CPF/SRS Agent Banks for their safekeeping.

## 12. FINANCIAL ASPECTS OF THE EXIT OFFER

### 12.1 Premia to Historical Market Prices

The Cash Consideration represents the following premia over the historical market prices of the Shares on the SGX-ST over various periods:

| Share Prices on the SGX-ST | Share Price (S$)[1] | Premium/ (Discount) of Exit Offer Consideration over Share Price (%) |
|---|---|---|
| Last transacted price of the Shares on the SGX-ST on 9 September 2022 (being the last day on which the Shares were traded prior to the Joint Announcement Date) | 0.093 | (49.5) |
| Last transacted price of the Shares on the SGX-ST on the Last Undisturbed Trading Day | 0.035 | 34.3 |
| VWAP on the SGX-ST for the one (1)-month period prior and up to the Last Undisturbed Trading Day | 0.028 | 67.9 |
| VWAP on the SGX-ST for the three (3)-month period prior and up to the Last Undisturbed Trading Day | 0.027 | 74.1 |
| VWAP on the SGX-ST for the six (6)-month period prior and up to the Last Undisturbed Trading Day | 0.027 | 74.1 |
| VWAP on the SGX-ST for the twelve (12)-month period prior and up to the Last Undisturbed Trading Day | 0.027 | 74.1 |

**Note:**

(1) The historical traded prices and the corresponding premium are computed based on data extracted from Bloomberg L.P.

### 12.2 Premium to NAV and NTA per Share

The Cash Consideration:

(i) is on par with the unaudited consolidated NAV per Share of S$0.047[5] as at 30 June 2022; and

(ii) represents a premium of approximately 11.9% over the unaudited consolidated NTA per Share of S$0.042[5] as at 30 June 2022.

[5] Based on the closing exchange rate of US$1:S$1.391 as at 30 June 2022 as extracted from Bloomberg L.P, rounded to the nearest 3 decimal places.

## 13. DISCLOSURE OF HOLDINGS AND DEALINGS IN THE COMPANY AND THE OFFEROR

13.1 Please refer to Appendix 6 to this Exit Offer Letter which sets out the interest of the Offeror, its directors and the Offeror Concert Party Group as at the Latest Practicable Date.

13.2 Save as disclosed in Appendix 6 to this Exit Offer Letter, and based on responses received pursuant to enquiries that the Offeror has made, none of the Offeror Concert Party Group (a) owns, controls, has direction over or has agreed to acquire any Company Securities as at the Latest Practicable Date, or (b) has dealt for value in any Company Securities during the Relevant Period.

13.3 Save as disclosed in Appendix 6 to this Exit Offer Letter, and based on responses received pursuant to enquiries that the Offeror has made, none of the Offeror Concert Party Group (a) owns, controls, has direction over or has agreed to acquire any Offeror Securities as at the Latest Practicable Date, or (b) has dealt for value in any Offeror Securities during the Relevant Period.

13.4 Further disclosures are set out in Appendix 6 and Appendix 7 to this Exit Offer Letter.

## 14. TOTAL CONSIDERATION PAYABLE UNDER THE EXIT OFFER

14.1 As at the Latest Practicable Date, the Company has 502,170,955 Shares in issue. For reference only, the maximum potential issued share capital of the Company will comprise 506,061,595 Shares assuming that the Second Tranche Shares have been allotted and issued, but excluding the Conversion Shares. On the basis of the Cash Consideration of S$0.047 per Offer Share and the maximum potential issued share capital of the Company of 506,061,595 Shares, the total consideration payable for the entire issued share capital of the Company is approximately S$23,784,895. Excluding the Undertaking Shares, being 426,928,353 Shares held by the Undertaking Shareholders who are Shareholders and who have agreed and/or have agreed to procure their nominees, amongst others, to elect to receive the Share Consideration pursuant to the Exit Offer, and assuming that none of the outstanding Convertible Bonds as at the Latest Practicable Date is converted or exercised into Shares prior to the close of the Exit Offer, 79,133,242 Shares will be subject to the Exit Offer and the total consideration payable by the Offeror for such Shares based on the Exit Offer Consideration will be approximately S$3,719,262.

14.2 As at the Latest Practicable Date, the Company has outstanding Convertible Bonds with an aggregate principal amount of US$3,190,000 being held by the Bondholder who has agreed, pursuant to the Bondholder Undertaking, not to exercise any of its rights to convert all or any of the Convertible Bonds into Shares until the earliest of the effective date of the Delisting, and in the event that the Delisting lapses or is terminated in accordance with its terms without the Delisting becoming effective for any reason other than a breach by the Bondholder of any of its obligations under the Bondholder Undertaking, the date of lapsing or termination of the Exit Offer.

14.3 Accordingly, excluding the Undertaking Shares and Convertible Bonds that are subject to the Irrevocable Undertakings and Bondholder Undertaking (as applicable) and the Shares already owned, controlled or agreed to be acquired by the Offeror Concert Party Group, and assuming that none of the outstanding Convertible Bonds is converted or exercised into Shares prior to the close of the Exit Offer and the Exit Offer is accepted in full, the maximum amount of Cash Consideration payable under the Exit Offer by the Offeror will be up to S$3,719,262 in aggregate.

## 15. CONFIRMATION OF FINANCIAL RESOURCES

15.1 Pursuant to the Irrevocable Undertakings, all the Undertaking Shareholders have undertaken, *inter alia*, to elect to receive the Share Consideration pursuant to the Exit Offer, and pursuant to the Bondholder Undertaking, the Bondholder has undertaken, *inter alia*, not to exercise any of its rights to (a) transfer or assign all or any of the Convertible Bonds, (b) convert all or any of the Convertible Bonds into Conversion Shares, or (c) seek early redemption of all or any of the Convertible Bonds, during the Exit Offer period and will further agree to reject and waive its rights to receive a comparable offer for its Convertible Bonds under Rule 19 of the Code.

15.2 SAC Capital, as the Financial Adviser, confirms in accordance with the Code that, after taking into account the Irrevocable Undertakings and the Bondholder Undertaking, sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer to the extent of the amount of cash required to pay for all the Offer Shares held by all Shareholders of MGL other than the Undertaking Shareholders and the Bondholder.

## 16. OVERSEAS SHAREHOLDERS

### 16.1 Overseas Shareholders

The ability of Overseas Shareholders to accept the Exit Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable legal requirements and restrictions in the relevant overseas jurisdictions, and exercise caution in relation to the Exit Offer, as this Exit Offer Letter and the Acceptance Forms have not been reviewed by any regulatory authority in any overseas jurisdiction (other than for Singapore).

### 16.2 Responsibility of Overseas Shareholders

It is the responsibility of any Overseas Shareholder who (a) receives copies of this Exit Offer Letter, the relevant Acceptance Form and the Delisting Circular, and/or (b) accepts the Exit Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholder shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, the Financial Adviser, CDP, the Share Registrar and/or any person acting on his behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such taxes, imposts, duties or other requisite payments as the Offeror, the Financial Adviser, CDP, the Share Registrar and/or any person acting on his behalf may be required to pay. In (a) receiving copies of this Exit Offer Letter, the relevant Acceptance Form and the Delisting Circular and/or (b) accepting the Exit Offer, the Overseas Shareholder represents and warrants to the Offeror, the Financial Adviser, CDP, the Share Registrar that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. **Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.**

### 16.3 Notices

The Offeror and the Financial Adviser each reserves the right to (a) reject any acceptance of the Exit Offer where they believe, or have reason to believe, that such acceptance may violate the applicable laws of any jurisdiction or which do not comply with the provisions and instructions of this Exit Offer Letter or the relevant Acceptance Forms; and (b) notify any matter, including the despatch of this Exit Offer Letter, any formal documentation relating to the Exit Offer, and the fact that the Exit Offer has been made, to any or all Shareholders (including the Overseas Shareholders) by announcement to the SGX-ST and if necessary, by paid advertisement in a newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.

## 17. INFORMATION PERTAINING TO CPFIS INVESTORS

CPFIS Investors should receive further information on how to accept the Exit Offer from their respective CPF Agent Banks directly. CPFIS Investors are advised to consult their respective CPF Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors should seek independent professional advice. CPFIS Investors who wish to accept the Exit Offer are to reply to their respective CPF Agent Banks accordingly by the deadline stated in the letter from their respective CPF Agent Banks, which may be earlier than the Closing Date. Subject to the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms, CPFIS Investors who accept the Exit Offer and elect for the Cash

Consideration will receive payment of the Exit Offer Consideration in respect of their Offer Shares in their CPFIS accounts. Following the completion of the Delisting, the Shares cannot be deposited with CDP and the Company will arrange to forward the individual share certificates representing the Offer Shares held by individual CPFIS Investors who do not accept the Exit Offer to their respective CPF Agent Banks for safe-keeping. CPFIS Investors will not be allowed to use funds from their CPF accounts for further purchases of the Shares because under the Central Provident Fund (Investment Schemes) Regulations, CPF funds may only be invested in the shares of companies incorporated in Singapore that are listed on the SGX-ST, traded in Singapore dollars and included under the CPFIS. Please refer to Appendix 2 to this Exit Offer Letter for further details relating to CPFIS Investors who do not accept the Exit Offer.

## 18. INFORMATION PERTAINING TO SRS INVESTORS

SRS Investors will receive further information on how to accept the Exit Offer from the SRS Agent Banks directly. SRS Investors are advised to consult their respective SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, SRS Investors should seek independent professional advice. SRS Investors who wish to accept the Exit Offer are to reply to their respective SRS Agent Banks by the deadline stated in the letter from their respective SRS Agent Banks, which may be earlier than the Closing Date. Subject to the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms, SRS Investors who accept the Exit Offer and elect for the Cash Consideration will receive the Exit Offer Consideration payable in respect of their Offer Shares in their SRS investment accounts.

## 19. GENERAL

### 19.1 Valid Acceptances

The acceptances of the Exit Offer will be treated as valid if the requirements are fulfilled pursuant to Appendix 2 to this Exit Offer Letter for Registered Shareholders and Depositors. Any decision to reject or treat as valid any acceptance will be final and binding and none of CDP, the Share Registrar, the Offeror and the Financial Adviser (as the case may be) accepts any responsibility or liability for the consequences of such a decision.

### 19.2 Governing Law and Jurisdiction

The Exit Offer, this Exit Offer Letter, the Acceptance Forms, all acceptances of the Exit Offer and all contracts made pursuant thereto and all actions taken or deemed to be taken or made in connection with any of the foregoing shall be governed by, and construed in accordance with, the laws of Singapore. The Offeror and each accepting Shareholder agree to submit to the non-exclusive jurisdiction of the Singapore courts.

### 19.3 No Third-Party Rights

Unless expressly provided to the contrary in this Exit Offer Letter and in the relevant Acceptance Form, a person who is not a party to any contracts made pursuant to the Exit Offer, this Exit Offer Letter and the relevant Acceptance Form has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore, to enforce any term of such contracts. Notwithstanding any term contained herein and in the relevant Acceptance Form, the consent of any third party is not required for any subsequent agreement by the parties hereto to amend or vary (including any release or compromise of any liability) or terminate such contracts. Where third parties are conferred rights under such contracts, those rights are not assignable or transferable.

### 19.4 Accidental Omission

Any accidental omission to despatch this Exit Offer Letter, the Delisting Circular and the relevant Acceptance Forms, or to give any notice, advertisement or announcement required to be given under the terms of the Exit Offer, or any failure to receive the same by any person to whom the Exit Offer are made or should be made, shall not invalidate the Exit Offer in any way.

**19.5 Independent Advice**

The Financial Adviser is acting for and on behalf of the Offeror in connection with the Exit Offer and does not purport to advise the Shareholders and/or the Bondholder. In preparing this Exit Offer Letter on behalf of the Offeror, the Financial Adviser has not had regard to the general or specific investment objectives, tax position, risk profiles, financial situation or particular needs and constraints of any individual Shareholder or the Bondholder or holder of the Company Securities.

The advice of the IFA to the Independent Directors and the recommendation of the Independent Directors on the Exit Offer are available in the Delisting Circular. Shareholders may wish to consider their advice before taking any action in relation to the Exit Offer.

## 20. RESPONSIBILITY STATEMENTS

The Offeror Directors (including any Offeror Director who may have delegated detailed supervision of this Exit Offer Letter) have taken all reasonable care and made all reasonable inquiries to ensure that the facts stated and opinions expressed herein (other than those relating to MGL and any opinion expressed by MGL) have been arrived at after due and careful consideration and are fair and accurate and that no material facts have been omitted from this Exit Offer Letter, the omission of which would make any statement in this Exit Offer Letter misleading. Where any information in this Exit Offer Letter has been extracted or reproduced from published or otherwise publicly available sources or obtained from MGL, the sole responsibility of the Offeror Directors has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Exit Offer Letter. The Offeror Directors jointly and severally accept responsibility accordingly.

Where any information in this Exit Offer Letter has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Exit Offer Letter in its proper form and context.

Yours faithfully,
**SAC CAPITAL PRIVATE LIMITED**

For and on behalf of
**Memories (2022) Pte. Limited**

***Any enquiries relating to this Exit Offer Letter, the Delisting Proposal or the Exit Offer should be directed during office hours to:***

**SAC Capital Private Limited**
1 Robinson Road
#21-00 AIA Tower
Singapore 048542
Main Line: (65) 6232 3200

**Mr Bernard Lim**
COO

**Mr Tan Kian Tiong**
Partner

# APPENDIX 1 – PARTICULARS OF THE UNDERTAKING SHAREHOLDERS AND THE BONDHOLDER

## PART 1

## PARTICULARS OF THE UNDERTAKING SHAREHOLDERS AS AT THE LATEST PRACTICABLE DATE

| Name | Number of Shares comprised in the Irrevocable Undertakings | As a percentage of total issued Shares (%) |
|---|---|---|
| Mr. Serge Pun | 103,000 | 0.02 |
| FMI | 41,947,426 | 8.35 |
| YSIL | 167,078,848 | 33.27 |
| ACE | 41,131,520 | 8.19 |
| Samena | 141,004,800 | 28.08 |
| SHC | 35,662,759 | 7.10 |
| **Total** | 426,928,353 | 85.02 |

## PART 2

## PARTICULARS OF THE BONDHOLDER AS AT THE LATEST PRACTICABLE DATE

| Name | Principal amount of Bonds comprised in the Bondholder Undertaking | As a percentage of the total outstanding principal amount of the Convertible Bonds | Number of Shares into which such Bonds may be converted | Exercise Price | Exercise Period |
|---|---|---|---|---|---|
| Oakfame Investment Limited | US$3,190,000 | 100% | 19,829,729 | US$0.185 (equivalent to S$0.25) per share based on an exchange rate of S$1.35 per share | 15 May 2019 until 26 November 2023 |

The Undertaking Shareholders and the Bondholder have no dealings in the Company Securities during the Relevant Period.

# APPENDIX 2 – PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE EXIT OFFER

## 1. ACCEPTANCE PROCEDURES FOR DEPOSITORS

### 1.1 Depositors whose Securities Accounts are credited with Offer Shares.

If you have Offer Shares standing to the credit of the "Free Balance" of your Securities Account, you should receive the Hardcopy Notification together with the FAA, and the KYC Particulars Form. If you do not receive the FAA, you may obtain a copy of such FAA, upon production of satisfactory evidence that you are a Shareholder, from CDP by contacting CDP's Customer Service Hotline at +65 6535 7511 during their operating hours or emailing CDP at asksgx@sgx.com for instructions on how to obtain a copy of such document. Electronic copies of the FAA may also be obtained on the website of the SGX-ST at *www.sgx.com*.

**Acceptance.** If you wish to accept the Exit Offer in respect of all or any of your Offer Shares, you should:

(a) complete the FAA in accordance with the provisions and instructions in this Exit Offer Letter and the FAA. **In particular, you must state in ONLY ONE of Box A** (being the acceptance box for the **Cash Consideration**) or **Box B** (being the acceptance box for the **Share Consideration**) **in Section C on page 1 of the FAA**, as the case may be, the number of Offer Shares already standing to the credit of the "Free Balance" of your Securities Account in respect of which you wish to accept the Exit Offer.

If you:

(i) **do not specify any number** in any of Box A or Box B in Section C of the FAA, you shall be deemed to have accepted the Exit Offer in respect of **ALL** (and not part) of your Offer Shares already standing to the credit of the "Free Balance" of your Securities Account as at the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt falls on or before the Closing Date), and elected for, and will receive, the **Cash Consideration;**

(ii) specify a number of Offer Shares which is **equal to or does not exceed** the number of Offer Shares already standing to the credit of the "Free Balance" of your Securities Account in any one or more of Box A or Box B in Section C of the FAA, you shall be deemed to have accepted the Exit Offer only in respect of the number of Offer Shares inserted in all the completed boxes and elected for, and will only receive, the form of **consideration pursuant to the first completed box from the left**; or

(iii) **check** any one or more of Box A or Box B in Section C of the FAA, or insert a number of Offer Shares in any one or more of Box A or Box B in Section C of the FAA, and the number of Offer Shares specified **exceeds** the number of Offer Shares standing to the credit of the "Free Balance" of your Securities Account as at the Date of Receipt, or in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt falls on or before the Closing Date), you shall be deemed to have accepted the Exit Offer in respect of **ALL** (and not part) of your Offer Shares already standing to the credit of the "Free Balance" of your Securities Account as at the Date of Receipt or in the case where the Date of Receipt is on the Closing Date as at 5.30 p.m. (Singapore time) on the Closing Date (provided always that the Date of Receipt falls on or before the Closing Date), and elected for, and will only receive, the form of consideration **pursuant to the first completed box from the left**.

For the purposes of the FAA, a "**check**" is defined as a "✓" or "X" or such other forms of annotation to be determined by the Offeror in its absolute discretion for the purpose of ascertaining the accepting Depositor's acceptance intention.

For example, an accepting Depositor has 500 Offer Shares standing to the credit of the "Free Balance" of his/its Securities Account as at 5.30 p.m. (Singapore time) on the Date of Receipt and:

(i) specifies "600" in Box A and specifies "100" in Box B. Such accepting Depositor shall be deemed to have accepted the Exit Offer in respect of 500 Offer Shares and will receive the Cash Consideration;

(ii) specifies "100" in Box A and specifies "600" in Box B. Such accepting Depositor shall be deemed to have accepted the Exit Offer in respect of 500 Offer Shares and will receive the Cash Consideration;

(iii) leaves Box A empty and specifies "500" in Box B. Such accepting Shareholder shall be deemed to have accepted the Exit Offer in respect of 500 Offer Shares and will receive the Share Consideration;

(iv) specifies "0" in Box A and specifies "500" in Box B. Such accepting Shareholder shall be deemed to have accepted the Exit Offer in respect of 500 Offer Shares and will receive the Share Consideration; and

(v) checks Box A and specifies "500" in Box B. Such accepting Shareholder shall be deemed to have accepted the Exit Offer in respect of 500 Offer Shares and will receive the Cash Consideration.

(b) if, at the time of verification by CDP of the FAA on the Date of Receipt, if paragraph 1.1(a)(iii) above applies, and there are outstanding settlement instructions with CDP to receive further Shares into the "Free Balance" of your Securities Account ("**Unsettled Buy Position**"), and the Unsettled Buy Position settles such that the Shares in the Unsettled Buy Position are transferred to the "Free Balance" of your Securities Account at any time during the period the Exit Offer is open, up to 5.30 p.m. (Singapore time) on the Closing Date ("**Settled Shares**"), you shall be deemed to have accepted the Exit Offer in respect of the balance number of Offer Shares indicated in Section C of the FAA which have not yet been accepted pursuant to paragraph 1.1(a)(iii) above, or the number of Settled Shares, whichever is less;

(c) if you are submitting the FAA in physical form, sign the FAA in accordance with paragraph 1 (Acceptance Procedures for Depositors) of this Appendix 2 and the instructions printed on the FAA;

(d) submit the completed FAA:

(i) (if you wish to elect to receive the **Cash Consideration or the Share Consideration**) **by post,** in the enclosed pre-addressed envelope at your own risk, to Memories (2022) Pte. Limited , c/o The Central Depository (Pte) Limited at Robinson Road Post Office P.O Box 1984 Singapore 903934, or

(ii) (if you wish to elect to receive the **Cash Consideration**) **in electronic form**, via the SGX Investor Portal at investors.sgx.com (in respect of individuals and joint-alt account holders only),

**in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date** (provided always that the Date of Receipt falls on or before the Closing Date)**.** If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope which is enclosed with the FAA, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting is outside of Singapore. Proof of posting is not proof of receipt by the Offeror at the

above address. If you submit the FAA in electronic form, you accept the risk of defects or delays caused by failure or interruption of electronic systems, and you agree to hold the Offeror, SAC Capital and CDP harmless against any losses directly and indirectly caused by such failure or interruption of electronic systems; and

(e) if you wish to elect to receive the Share Consideration, return the duly completed KYC Particulars Form, together with the supporting document(s), which are satisfactory to the Offeror:

(i) **by post,** in the enclosed pre-addressed envelope at your own risk, to Memories (2022) Pte. Limited, c/o B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896, or

(ii) **by email**, to main@zicoholdings.com,

**at the same time that you have submitted your completed FAA in (d)(i) of paragraph 1.1 above**, failing which you will receive the Cash Consideration. The last date and time that you can submit the FAA and the KYC Particulars Form (together with the supporting document(s)) is **5.30pm. (Singapore Time) on the Closing Date.** You may contact the Company's Share Registrar at telephone number +65 6593 4848 for further details.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Exit Offer Letter and the accompanying FAA to the purchaser or transferee, as CDP will arrange for a separate Exit Offer Letter and FAA to be sent to the purchaser or transferee.

If you are a Depository Agent, you may accept the Exit Offer *via* SGX-SFG service. Such Electronic Acceptance must be submitted **not later than 5.30 p.m. (Singapore time) on the Closing Date** (provided always that the Date of Receipt falls on or before the Closing Date). CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA and in this Exit Offer Letter as if the FAA had been completed and delivered to CDP.

**1.2 Depositors whose Securities Accounts will be credited with Offer Shares.**

**Acceptance.** If you have purchased Offer Shares on the SGX-ST, a FAA in respect of such Offer Shares bearing your name and Securities Account number will be sent to you by CDP, and if you wish to accept the Exit Offer in respect of such Offer Shares, you should, **AFTER** the "Free Balance" of your Securities Account has been credited with such number of Offer Shares purchased:

(a) complete and sign the FAA in accordance with the provisions and instructions in this Exit Offer Letter and the FAA;

(b) submit the completed FAA:

(i) (if you wish to elect to receive the **Cash Consideration or the Share Consideration**) **by post,** in the enclosed pre-addressed envelope at your own risk, to Memories (2022) Pte. Limited , c/o The Central Depository (Pte) Limited at Robinson Road Post Office P.O Box 1984 Singapore 903934; or

(ii) (if you wish to elect to receive the **Cash Consideration**) **in electronic form**, via the SGX Investor Portal at investors.sgx.com (in respect of individuals and joint-alt account holders only), and

**in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date.** If the completed and signed FAA is delivered by post to the Offeror, please use the enclosed pre-addressed envelope which is enclosed with the FAA, which is pre-paid for posting in Singapore only. It is your responsibility to affix adequate postage on the said envelope if posting is outside of Singapore. Proof of posting is not proof of receipt by the

Offeror at the above address. If you submit the FAA in electronic form, you accept the risk of defects or delays caused by failure or interruption of electronic systems, and you agree to hold the Offeror, SAC Capital and CDP harmless against any losses directly and indirectly caused by such failure or interruption of electronic systems; and

(c) if you wish to elect to receive the Share Consideration, return the duly completed KYC Particulars Form, together with the supporting document(s), which are satisfactory to the Offeror:

(iii) **by post,** in the enclosed pre-addressed envelope at your own risk, to Memories (2022) Pte. Limited, c/o B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896, or

(iv) **by email**, to main@zicoholdings.com,

**at the same time that you have submitted your completed FAA in (b)(i) of this paragraph 1.2 above**, failing which you will receive the Cash Consideration. The last date and time that you can submit the FAA and the KYC Particulars Form (together with the supporting document(s)) is **5.30pm. (Singapore Time) on the Closing Date.**

**1.3 Depositors whose Securities Accounts are and will be credited with Offer Shares.** If you have Offer Shares credited to the "Free Balance" of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to the "Free Balance" of your Securities Account, you may accept the Exit Offer in respect of the Offer Shares standing to the credit of the "Free Balance" of your Securities Account and may accept the Exit Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the "Free Balance" of your Securities Account has been credited with such number of additional Offer Shares purchased. The provisions set out above shall apply *mutatis mutandis* to your acceptance of the Exit Offer.

**1.4 Rejection.** If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been credited to the "Free Balance" of your Securities Account (as, for example, where you are selling or have sold such Offer Shares), then your acceptance is liable to be rejected and **none of CDP, SAC Capital and the Offeror (and, for the avoidance of doubt, any of the Offeror's related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.**

If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance of the Exit Offer in respect of such Offer Shares will be rejected if the "Free Balance" of your Securities Account is not credited with such Offer Shares by the Date of Receipt or by 5.30 p.m. (Singapore time) on the Closing Date (if the Date of Receipt is on the Closing Date). **None of CDP, SAC Capital and the Offeror (and, for the avoidance of doubt, any of the Offeror's related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.**

**1.5 General.** No acknowledgement will be given by CDP for submissions of the FAA. All communications, notices, documents, payments and remittance to be delivered or sent to you will be sent by ordinary post at your own risk to your mailing address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares in your Securities Account. You can verify the number of Offer Shares credited to your Securities Account through: (a) CDP Online if you have registered for the CDP Internet Access Service or (b) CDP Phone Service using SMS OTP, under the option "To check your securities balance".

**1.6 Blocked Balance.** Upon receipt of the FAA which is complete and valid in all respects, CDP will transfer the Offer Shares in respect of which you have accepted the Exit Offer from the "Free Balance" of your Securities Account to the "Blocked Balance" of your Securities Account. Such Offer Shares will be held in the "Blocked Balance" until the consideration for such Offer Shares has been despatched to you.

**1.7 Return of Offer Shares.** In the event the Exit Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, the relevant number of Offer Shares in respect of which you have accepted the Exit Offer will be returned to the "Free Balance" of your Securities Account as soon as possible but, in any event, not later than fourteen (14) days from the lapse of the Exit Offer.

**1.8 Exit Offer Unconditional.** If you have accepted the Exit Offer in accordance with the provisions contained in this Appendix 2 and the FAA, upon the Exit Offer becoming or being declared to be unconditional in all respects in accordance with its terms, where you have elected to receive the Cash Consideration, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Cash Consideration which will be credited directly into your designated bank account for Singapore Dollars via CDP's direct crediting service ("**DCS**") on the payment date as soon as practicable and in any event:

(a) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **on or before** the date on which the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, within seven (7) Business Days after that date; or

(b) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **after** the date on which the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, but on or before 5.30 p.m. (Singapore time) on the Closing Date, within seven (7) Business Days after the date of such receipt.

In the event you are not subscribed to CDP's DCS, any monies to be paid shall be credited to your Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein).

Where you have elected to receive the Share Consideration, the Offeror c/o the Share Registrar will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Share Consideration by way of share certificate(s) for the appropriate number of New Offeror Shares issued to you and sent by ordinary mail to your mailing address as recorded with CDP, at your own risk.

**1.9 No Securities Account.** If you do not have any existing Securities Account in your name at the date and time of acceptance of the Exit Offer, your acceptance as contained in the FAA will be rejected.

## 2. HOLDERS OF OFFER SHARES IN SCRIP FORM

**2.1 Shareholders whose Offer Shares are not deposited with CDP**. If you hold Offer Shares which are not deposited with CDP ("**in scrip form**"), you should receive the Hardcopy Notification together with the FAT and the KYC Particulars Form. If you do not receive a FAT, you may obtain a copy, upon production of satisfactory evidence that you are a Shareholder, from the Receiving Agent, at its office located at 77 Robinson Road #06-03, Robinson 77, Singapore 068896. Electronic copies of the FAT may also be obtained on the website of the SGX-ST at *www.sgx.com*.

**Acceptance.** If you wish to accept the Exit Offer in respect of all or any of your Offer Shares, you should:

(a) complete Page 1 of the FAT in accordance with the provisions and instructions in this Exit Offer Letter and in the FAT (which provisions and instructions shall be deemed to form part of the terms of the Exit Offer). **In particular, you must state in ONLY ONE of Box A** (being the acceptance box for the **Cash Consideration**) or **Box B** (being the acceptance box for the **Share Consideration**) in Part A of the FAT the number of Offer Shares already standing to the credit of the "Free Balance" of your Securities Account in respect of which you wish to accept the Exit Offer and **state in Part B of the FAT the share certificate number(s) of the relevant share certificate(s).**

If you:

(i) **do not specify any number** in any of Box A or Box B in Part A of the FAT, you shall be deemed to have accepted the Exit Offer in respect of **ALL** (and not part) of your Offer Shares represented by the share certificate(s) accompanying the FAT and elected for, and will receive, the **Cash Consideration**;

(ii) specify a number of Offer Shares which is **equal to or does not exceed** the number of Offer Shares represented by the attached share certificate(s) in any one or more of Box A or Box B in Part A of the FAT, you shall be deemed to have accepted the Exit Offer only in respect of the number of Offer Shares inserted in all the completed boxes from the left and elected for, and will only receive, the form of **consideration pursuant to the first completed box from the left**; or

(iii) **check** either Box A or Box B in Part A of the FAT, or insert a number of Offer Shares in either Box A or Box B in Part A of the FAT, and the number of Offer Shares specified **exceeds** the number of Offer Shares represented by the share certificate(s) accompanying the FAT, you shall be deemed to have accepted the Exit Offer only in respect of **ALL** (and not part) of your Offer Shares represented by the share certificate(s) accompanying the FAT and elected for, and will only receive, the form of consideration **pursuant to the first completed box from the left**,

For the purposes of the FAT, a "**check**" is defined as a "✓" or "X" or such other forms of annotation to be determined by the Offeror in its absolute discretion for the purpose of ascertaining the accepting Depositor's acceptance intention.

For example, an accepting Shareholder holds 500 Offer Shares as represented by the share certificate(s) accompanying the FAT and:

(i) specifies "600" in Box A and specifies "100" in Box B. Such accepting Shareholder shall be deemed to have accepted the Exit Offer in respect of 500 Offer Shares and will receive the Cash Consideration;

(ii) specifies "100" in Box A and specifies "600" in Box B. Such accepting Shareholder shall be deemed to have accepted the Exit Offer in respect of 500 Offer Shares and will receive the Cash Consideration;

(iii) leaves Box A empty and specifies "500" in Box B. Such accepting Shareholder shall be deemed to have accepted the Exit Offer in respect of 500 Offer Shares and will receive the Share Consideration;

(iv) specifies "0" in Box A and specifies "500" in Box B. Such accepting Shareholder shall be deemed to have accepted the Exit Offer in respect of 500 Offer Shares and will receive the Share Consideration; and

(v) checks Box A and specifies "500" in Box B. Such accepting Shareholder shall be deemed to have accepted the Exit Offer in respect of 500 Offer Shares and will receive the Cash Consideration.

(b) if your registered address in the Register is outside of Singapore, insert in the address box a mailing address in Singapore;

(c) sign the FAT in accordance with paragraph 2 (Holders of Offer Shares in Scrip Form) of this Appendix 2 and the instructions printed on the FAT; and

(d) deliver:

(i) the duly completed and signed FAT in its entirety (no part may be detached or otherwise mutilated);

(ii) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror and/or the Receiving Agent relating to the Offer Shares in respect of which you wish to accept the Exit Offer. If you are recorded in the Register as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the Constitution of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Exit Offer Letter and in the FAT;

(iii) where such Offer Shares are not registered in your name, a transfer form, duly executed by the person in whose name such share certificate(s) is/are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror, or any person nominated in writing by the Offeror or a person duly authorised by either); and

(iv) any other relevant document(s),

either **by hand,** to 77 Robinson Road #06-03, Robinson 77, Singapore 068896, or **by post,** in the enclosed pre-addressed envelope at your own risk, to Memories (2022) Pte. Limited c/o B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896, **in either case so as to arrive not later than 5.30 p.m. (Singapore time) on the Closing Date** (provided always that the Date of Receipt falls on or before the Closing Date)**.** If the completed and signed FAT is delivered by post to the Offeror, please use the enclosed pre-addressed envelope which is enclosed with the FAT. It is your sole responsibility to affix adequate postage on the said envelope. Proof of posting is not proof of receipt by the Offeror at the above address; and

(e) if you wish to elect to receive the Share Consideration, return the duly completed KYC Particulars Form, together with the supporting document(s), which are satisfactory to the Offeror:

(i) **by post,** in the enclosed pre-addressed envelope at your own risk, to Memories (2022) Pte. Limited, c/o B.A.C.S. Private Limited, 77 Robinson Road #06-03, Robinson 77, Singapore 068896; or

(ii) **by email**, to main@zicoholdings.com,

**at the same time that you have submitted your completed FAT in (d) of this paragraph 2.1 above**, failing which you will receive the Cash Consideration. The last date and time that you can submit the FAT and the KYC Particulars Form (together with the supporting document(s)) is **5.30pm. (Singapore Time) on the Closing Date**.

**2.2 No acknowledgement.** No acknowledgement of receipt of any FAT, share certificate(s), other document(s) of title, transfer form(s) or any other accompanying document(s) will be given by the Offeror, SAC Capital or the Receiving Agent.

**2.3 Return of Offer Shares.** In the event the Exit Offer does not become or is not declared to be unconditional in all respects in accordance with its terms, the FAT, share certificate(s) and/or any other accompanying document(s) will be returned to you by ordinary post to your relevant address as it appears in the records of the Share Registrar (or in the case of joint shareholders, to the joint accepting shareholder first-named in the Register) at your own risk as soon as possible but, in any event, not later than fourteen (14) days from the withdrawal or lapse of the Exit Offer.

## 3. SETTLEMENT

**3.1 When Settlement Due.** Subject to the Exit Offer becoming or being declared unconditional in all respects in accordance with its terms and the receipt by the Offeror from accepting Shareholders of valid acceptances and all relevant documents required by the Offeror which are complete in all respects and in accordance with the instructions given in this Exit Offer Letter and in the FAA and/or the FAT (as the case may be), and in the case of Depositors, the receipt by the Offeror of

confirmations satisfactory to it that the relevant number of Offer Shares tendered by the accepting Shareholders in acceptance of the Exit Offer are standing to the credit of the "Free Balance" of their respective Securities Accounts at the relevant time:

(a) remittances for the appropriate amounts (in the case of Shareholders holding share certificate(s) which are not deposited with CDP) in the form of a Singapore Dollar crossed cheque drawn on a bank in Singapore or (in the case of a Shareholder (who is a Depositor or entitled Depository Agent) who are subscribed to CDP's DCS) by directly crediting into such Shareholder's designated bank account for Singapore Dollars via CDP's DCS, for the payment of the Cash Consideration. In the event you are not subscribed to CDP's DCS, any monies to be paid shall be credited to your Cash Ledger and subject to the same terms and conditions as Cash Distributions under the CDP Operation of Securities Account with the Depository Terms and Conditions (Cash Ledger and Cash Distribution are as defined therein); or

(b) share certificate(s) in respect, of the appropriate number of New Offeror Shares ("**Offeror Share Certificates**"), for the payment of the Share Consideration or (in the case of Shareholders electing the Share Consideration which have not returned the duly completed KYC Particulars Form, together with the supporting document(s), which are satisfactory to the Offeror) remittances for the appropriate amounts in the form of a Singapore Dollar crossed cheque drawn on a bank in Singapore for payment of the Cash Consideration,

(as the case may be) will be despatched, pursuant to Rule 30 of the Code, to accepting Shareholders (or your designated agent or, in the case of joint accepting Shareholders who have not designated any agent, to the one first-named in the Register, as the case may be) by ordinary post to their respective mailing addresses as they appear in the records of CDP or in the Singapore Register (as the case may be), at the risk of the accepting Shareholders (or in such other manner as the accepting Shareholders may have agreed with CDP for the payment of any cash distributions in the case of Depositors) (save that no Offeror Share Certificates will, in the case of Overseas Shareholders, be despatched in or into any overseas jurisdiction (please refer to paragraph 3.2 of this Appendix 2 for more information on the arrangements for validly accepting Overseas Shareholders)) as soon as practicable and in any case:

(a) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **on or before** the date on which the Exit Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven (7) Business Days after that date; or

(b) in respect of acceptances of the Exit Offer which are complete and valid in all respects and are received **after** the date on which the Exit Offer becomes or is declared unconditional in all respects in accordance with its terms, but on or before 5.30 p.m. (Singapore time) on the Closing Date, within seven (7) Business Days after the date of such receipt.

Settlement of the consideration to which any Shareholder is entitled under the Exit Offer will be implemented in full in accordance with the terms of the Exit Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.

**3.2 Validly Accepting Overseas Shareholders**. In relation to accepting Overseas Shareholders who:

(i) have validly elected for the Share Consideration; and

(ii) have submitted all relevant documents required by the Offeror which are complete and valid in all respects and are in accordance with the requirements set out in this Exit Offer Letter and the FAA and/or the FAT (including, without limitation, where the accepting Overseas Shareholder is a Depositor, the receipt by the Offeror of a confirmation satisfactory to it that the number of Offer Shares tendered by the accepting Shareholders in acceptance of the Exit Offer stands to the credit of the "Free Balance" of their respective Securities Accounts at the relevant time(s), or where the accepting Overseas Shareholder is not a Depositor, the share certificate(s) relating to the Offer Shares tendered by the accepting Overseas Shareholders in acceptance of the Offer, as the case may be),

but fail to provide the Offeror, CDP or the Share Registrar with a mailing address in Singapore in the address box in the FAA or the FAT, as the case may be, or otherwise prior to 5.30 p.m. (Singapore time) on the Closing Date, the relevant number of New Offeror Shares will nonetheless be allotted and issued to such validly accepting Overseas Shareholders and each of their names shall be entered into the Offeror Register as the holder of the relevant number of New Offeror Shares.

However, the Offeror Share Certificate(s) for such relevant number of New Offeror Shares will NOT be despatched into any overseas jurisdiction and will be held by the Share Registrar for and on behalf of such validly accepting Overseas Shareholders. Validly accepting Overseas Shareholders who have not provided the Offeror with a mailing address in Singapore and whose Offeror Share Certificates are held by the Share Registrar, should make the necessary arrangements to, or for its nominee (duly authorised in writing) to, collect the relevant Offeror Share Certificates from the Share Registrar.

For the avoidance of doubt, upon the allotment and issuance of the New Offeror Shares to each such validly accepting Overseas Shareholder and the entry of the name of each such validly accepting Overseas Shareholder into the Offeror Register as the holder of such relevant number of New Offeror Shares, whether or not the Offeror Share Certificate(s) are despatched to such validly accepting Overseas Shareholder, the validly accepting Overseas Shareholder will be a member of the Offeror and the registered legal holder of such relevant number of New Offeror Shares. The attention of Overseas Shareholders is also drawn to paragraph 5 of this Appendix 2.

## 4. INFORMATION PERTAINING TO CPFIS INVESTORS

The Shares that are quoted on the SGX-ST and held by CPFIS Investors are deposited with CDP through their respective CPF Agent Banks. However, following the completion of the Delisting, the Shares cannot be deposited with CDP, and the Company will arrange to forward the individual share certificates, representing the Offer Shares held by individual CPFIS Investors who do not accept the Exit Offer, to their respective CPF Agent Banks for safe-keeping.

CPF Agent Banks levy a service fee to administer each share counter held on behalf of each CPFIS Investor. In addition to the existing fees, CPF Agent Banks may impose, *inter alia,* additional charges for the safe-keeping of share certificates and administrative charges for the splitting, withdrawal or depositing of such share certificates. CPFIS Investors who do not accept the Exit Offer should consult their respective CPF Agent Banks on the additional charges that may be imposed.

## 5. OVERSEAS SHAREHOLDERS

**5.1** **Despatch into and receipt from Overseas Jurisdictions.** Persons receiving copies of this Exit Offer Letter, the FAA and/or the FAT (including, without limitation, custodians, nominees and trustees holding Shares for persons in any overseas jurisdictions) should not distribute or send them in, into or from any overseas jurisdiction in connection with the Exit Offer, and so doing may render invalid any related purported acceptance of the Exit Offer. Envelopes containing the FAA and/or the FAT should not be postmarked in any overseas jurisdiction, or otherwise despatched from any overseas jurisdiction, and all accepting Overseas Shareholders who elect for New Offeror Shares in the form of the Share Consideration as the Exit Offer Consideration should provide addresses in Singapore for the receipt of Offeror Share Certificate(s) for the New Offeror Shares or the return of the FAAs and the FATs, share certificate(s) relating to Shares and/or other document(s) of title.

**5.2** **Third Party Action.** If, in connection with making the Exit Offer, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this Exit Offer Letter, the FAA or the FAT or any related offering documents in, into or from any overseas jurisdiction, such persons should (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph 5 of this Appendix 2.

**5.3 Discretion of the Offeror.** The provisions of this paragraph 5 of this Appendix 2 and any other terms of the Exit Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Offeror in its absolute discretion but only if the Offeror is satisfied that such waiver, variance or modification will not constitute or give rise to a breach of applicable securities or other law.

The provisions of this paragraph 5 of this Appendix 2 supersede any terms of the Exit Offer inconsistent herewith.

## 6. GENERAL

**6.1 Disclaimer.** The Offeror, SAC Capital, CDP and/or the Share Registrar will be authorised and entitled, at their sole and absolute discretion, to reject or treat as valid any acceptance of the Exit Offer through the FAA and/or the FAT, as the case may be, which is not entirely in order or which does not comply with the terms of this Exit Offer Letter and the relevant Acceptance Forms or which is otherwise incomplete, incorrect, signed but not in its originality, or invalid in any respect. If you wish to accept the Exit Offer, it is your responsibility to ensure that the relevant Acceptance Forms are properly completed and executed in all respects and are submitted with original signature(s) and that all required documents (where applicable) are provided. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), SAC Capital, CDP and/or the Share Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.

**6.2 Discretion.** The Offeror, SAC Capital, CDP and the Share Registrar each reserves the right to treat acceptances of the Exit Offer as valid if received by or on behalf of either of them at any place or places determined by them otherwise than as stated in this Exit Offer Letter or in the relevant Acceptance Forms, or if made otherwise than in accordance with the provisions of this Exit Offer Letter and in the relevant Acceptance Forms. Any decision to reject or treat as valid any acceptance will be final and binding and none of the Offeror (or, for the avoidance of doubt, any of the Offeror's related corporations), SAC Capital, CDP and/or the Share Registrar accepts any responsibility or liability for such a decision, including the consequences of such a decision.

**6.3 Scrip and Scripless Offer Shares.** If you hold some Offer Shares in the form of share certificates and others with CDP, you should complete the FAT for the former and the FAA for the latter, in accordance with the procedures set out in this Appendix 2 and the respective Acceptance Forms if you wish to accept the Exit Offer in respect of such Offer Shares. The FAT and/or the FAA must be accurately completed, signed and accompanied by the relevant documents and sent to the Offeror in accordance with the procedures for acceptance set out in this Appendix 2.

**6.4 Acceptances received on Saturday, Sunday or public holiday.** Acceptances in the form of the FAA and/or the FAT received by CDP and/or the Share Registrar (as the case may be), for and on behalf of the Offeror, on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next Business Day.

**6.5 Deposit Time.** If you hold the share certificate(s) of the Offer Shares beneficially owned by you and you wish to accept the Exit Offer in respect of such Offer Shares, you should not deposit your share certificate(s) with CDP during the period commencing on the date of this Exit Offer Letter and ending on the Closing Date (both dates inclusive). If you deposit your share certificate(s) in respect of the Offer Shares beneficially owned by you with CDP during this period, you may not have your respective Securities Accounts credited with the relevant number of Offer Shares in time for you to accept the Exit Offer. If you wish to accept the Exit Offer in respect of such Offer Shares held by way of share certificates, you should complete the FAT and follow the procedures set out in paragraph 2 of this Appendix 2 and in the FAT.

**6.6 Correspondences.** All communications, certificates, notices, documents, payments and remittances to be delivered or sent to you (or, in the case of share certificate holders, your designated agent or, in the case of accepting joint Shareholders who have not designated any agent, to the one first named in the Register) will be sent by ordinary post to your mailing address

appearing in the records of CDP or the Register, as the case may be, at the risk of the person(s) entitled thereto (or for the purposes of remittances only, to such address as may be specified by you in the FAT, at your own risk).

**6.7 Evidence of Title.** Delivery of the duly completed and signed FAA and/or the FAT, as the case may be, together with the relevant share certificate(s) and/or other documents of title and/or other relevant documents required by the Offeror, to the Offeror (or its nominee), SAC Capital, CDP and/or the Share Registrar, as the case may be, shall be conclusive evidence in favour of the Offeror (or its nominee), SAC Capital, CDP and/or the Share Registrar, as the case may be, of the right and title of the person(s) signing it to deal with the same and with the Offer Shares to which it relates. The Offeror, SAC Capital and/or the Share Registrar shall be entitled to assume the accuracy of any information and/or documents submitted together with the FAA and/or the FAT and shall not be required to verify or question the validity of the same.

**6.8 Loss in Transmission.** The Offeror, SAC Capital, CDP and/or the Share Registrar, as the case may be, shall not be liable for any loss in transmission of the FAA and/or the FAT, as the case may be.

**6.9 Acceptance Irrevocable.** Your completion, execution and submission of the FAA and/or the FAT shall constitute your irrevocable acceptance of the Exit Offer, on the terms and subject to the conditions contained in this Exit Offer Letter and the FAA and/or the FAT. Except as expressly provided in this Exit Offer Letter and the Code, the acceptance of the Exit Offer made by you using the FAA and/or the FAT, as the case may be, shall be irrevocable and any instructions or subsequent FAA(s) and/or FAT(s) received by CDP and/or the Share Registrar, as the case may be, after the initial FAA and/or the FAT, as the case may be, has been received shall be disregarded.

**6.10 Personal Data Privacy.** You agree that none of the Offeror, SAC Capital, CDP and/or the Receiving Agent shall be liable for any action or omission in respect of the FAA, FAT, KYC Particulars Form and/or any information and/or documents submitted therewith. By completing and delivering the FAA, FAT and/or the KYC Particulars Form, each person:

(a) consents to the collection, use and disclosure of his personal data by the Offeror, SAC Capital, CDP, the Share Registrar, the Company, CPF Board, and the SGX-ST (collectively, "**Indemnified Persons**") for the purpose of facilitating his acceptance of the Offer, and in order for the Indemnified Persons to comply with any applicable laws, listing rules, regulations and/or guidelines;

(b) warrants that where he discloses the personal data of another person, such disclosure is in compliance with applicable laws; and

(c) agrees that he will indemnify the Indemnified Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of his breach of warranty.

**6.11 Acknowledgement.** You irrevocably agree and acknowledge that your acceptance is subject to risks of electrical, electronic, technical and computer-related faults and breakdowns, fires, acts of God, mistakes, losses, theft and any other events whatsoever (in each case whether or not within the control of the Offeror or CDP) and if, in any such event, the Offeror and CDP do not record or receive the same by the last date and time for acceptance of the Exit Offer in respect of the Offer Shares or such data or tape containing such data is lost, corrupted, destroyed or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed NOT to have accepted the Exit Offer in respect of the Offer Shares and you shall have no claim whatsoever against either the Offeror or CDP in respect of any purported acceptance thereof or for any compensation, loss or damages in connection therewith or in relation thereto.

## 7. NO RIGHT OF WITHDRAWAL IN RELATION TO THE EXIT OFFER

Except as expressly provided in this Exit Offer Letter and the Code, all acceptances of the Exit Offer shall be irrevocable.

## APPENDIX 3 – ADDITIONAL INFORMATION ON THE OFFEROR AND FMI

### 1. DIRECTORS

The name, address and description of the directors of the Offeror as at the Latest Practicable Date, are set out below:

| Name | Address | Description |
|---|---|---|
| Mr. Serge Pun | c/o 63 Mohamed Sultan Road, #02-14, Sultan-Link, Singapore 239002 | Director |
| Mr. Cyrus Pun | c/o 63 Mohamed Sultan Road, #02-14, Sultan-Link, Singapore 239002 | Director |
| Mr. Tun Tun | c/o 63 Mohamed Sultan Road, #02-14, Sultan-Link, Singapore 239002 | Director |

### 2. REGISTERED OFFICES

**2.1** **Offeror.** The registered office of the Offeror is 63 Mohamed Sultan Road, #02-14, Sultan-Link, Singapore 239002.

### 3. PRINCIPAL ACTIVITIES AND SHARE CAPITAL

**3.1** **Offeror.** The Offeror is a special purpose vehicle incorporated in Singapore on 23 August 2022 for the purposes of the Exit Offer and is wholly-owned by FMI. The Offeror is an investment holding company, which has not carried on any business since its incorporation, except in relation to matters in connection with the making of the Exit Offer. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S$1 divided into 1 ordinary shares of S$1 each.

The Offeror Shares are not and will not be listed on any securities exchange.

The rights of a holder of Offeror Shares in respect of capital, dividends, and voting in relation to the Offeror Shares are contained in the Offeror Constitution. For ease of reference, selected texts from the Offeror Constitution relating to the same have been reproduced, without amendment, in Appendix 8 to this Exit Offer Letter.

The Offeror Shares, which have identical rights in all respects, rank equally with one another. The rights and privileges attached to the Offeror Shares are stated in the Offeror Constitution, a copy of which is available for inspection at the office of the Share Registrar at 77 Robinson Road #06-03, Robinson 77, Singapore 068896 during normal business hours for the period which the Exit Offer remains open for acceptance.

As at the Latest Practicable Date, the Offeror does not have any outstanding instruments convertible into, rights to subscribe for and options (whether pursuant to an employee share option scheme or otherwise) in respect of the Offeror Shares or which carry voting rights affecting the Offeror Shares.

Since the date of incorporation of the Offeror and ending on the Latest Practicable Date, there have been no material changes to the issued share capital of the Offeror, and no Offeror Shares have been transferred or sold.

**3.2** **FMI.** FMI is a public company incorporated in the Republic of the Union of Myanmar and listed on the Yangon Stock Exchange. FMI is an investment holding company that owns shares in companies engaged in a number of diverse businesses, including core businesses in the financial services, real estate, healthcare and tourism sectors. Its directors are Mr. Serge Pun (Executive Chairman), Mr. Tun Tun (Executive Director and Chief Operating Officer), Mr. Linn Myaing (Non-Executive Director), Mr. Than Aung (Non-Executive Director), Dr. Aung Tun Thet (Independent Non-Executive Director), Mr. Kyi Aye (Non-Executive Director), Mr. Cezar Peralta Consing (Non-Executive Director) and Mr. Alberto Macapinlac de Larrazabal (Alternate Director to Mr. Cezar Peralta Consing). As at the Latest Practicable Date, FMI directly owns 41,947,426 Shares, representing approximately 8.35% of the total number of Shares in issue.

## 4. SUMMARY OF FINANCIAL INFORMATION

**4.1** **Offeror.** As the Offeror was incorporated on 23 August 2022, no audited financial statements of the Offeror have been prepared since the date of its incorporation.

**4.2** **FMI.** A summary of the audited consolidated profit and loss statements of FMI and its subsidiaries for the FYE2020, FYE2021 and FPE2022 are set out in the table below.

The summary is extracted from, and should be read in conjunction with, the audited consolidated financial statements of FMI and its subsidiaries for the FYE2020, FYE2021 and FPE2022 (copies of which are available for inspection as mentioned in paragraph 4 of Appendix 7 to this Exit Offer Letter).

| | **Audited** | | |
|---|---|---|---|
| | **FYE2020 (MMK'000)** | **FYE2021 (MMK'000)** | **FPE2022 (MMK'000)** |
| Turnover | 339,952,008 | 308,465,153 | 138,693,464 |
| Exceptional items | – | – | – |
| Profit before taxation | 17,044,008 | 13,578,922 | 6,362,820 |
| Profit for the year | 10,685,357 | 11,091,556 | 4,780,676 |
| Minority Interest | 14,114,104 | 1,970,934 | 3,310,212 |
| Earnings per share for profit attributable to ordinary shareholders (MMK) | (126) | 280 | 44 |
| Dividend per share (MMK) | – | – | – |

## 5. STATEMENT OF ASSETS AND LIABILITIES

**5.1** **Offeror.** As the Offeror was incorporated on 23 August 2022, no audited financial statements of the Offeror have been prepared since the date of its incorporation.

**5.2** **FMI.** A summary of the audited consolidated balance sheet of FMI and its subsidiaries as at 31 March 2022 is set out in the table below.

The summary is extracted from, and should be read in conjunction with, the audited consolidated financial statements of FMI for the FPE2022 (copies of which are available for inspection as mentioned in paragraph 4 of Appendix 7 of this Exit Offer Letter).

| | Audited as at | |
|---|---|---|
| | **31 March 2022 (MMK'000)** | **30 September 2021 (MMK'000)** |
| **Current Assets** | | |
| Cash and cash equivalents | 747,754,535 | 511,101,576 |
| Interbank placements | 5,000,000 | 11,258,000 |
| Trade and other receivables | 81,813,184 | 82,549,712 |
| Loans and advances to customers, by the bank subsidiary | 1,630,798,734 | 1,672,402,237 |
| Government and other securities, by the bank subsidiary | 392,673,890 | 258,739,302 |
| Inventories | 4,761,888 | 3,419,244 |
| Advances and prepayments | 8,353,225 | 15,346,484 |
| **Total current assets** | **2,871,155,456** | **2,554,816,555** |
| **Non-current assets** | | |
| Other receivables | 6,647,117 | 6,552,140 |
| Other non-current assets | 3,371,866 | 3,371,866 |
| Available-for-sale investments | 52,548,654 | 51,784,868 |
| Investment in joint venture | 3,354,984 | 3,355,335 |
| Investment in associates | 73,422,776 | 77,035,508 |
| Government and other securities, by the bank subsidiary | 227,620,862 | 238,386,499 |
| Investment properties | 3,091,365 | 3,091,365 |
| Property, plant and equipment | 110,436,286 | 106,928,929 |
| Goodwill | 61,586,933 | 61,586,933 |
| Intangible assets | 6,737,658 | 6,872,071 |
| **Total non-current assets** | **548,818,501** | **558,965,514** |
| **Total assets** | **3,419,973,957** | **3,113,782,069** |

| | Audited as at | |
|---|---|---|
| | 31 March 2022 (MMK'000) | 30 September 2021 (MMK'000) |
| **Current liabilities** | | |
| Trade and other payables | 78,853,089 | 84,419,067 |
| Deposits and balances from customers by the bank subsidiary | 2,776,288,270 | 2,422,391,800 |
| Fund restricted for the Livelihoods and Food Security Trust Fund – Agribusiness Finance Program, by the bank subsidiary | – | 982,666 |
| Interbank borrowings and securities sold with agreement to repurchase, the bank subsidiary | 19,558,000 | 61,562,600 |
| Borrowings | 24,851,154 | 24,851,154 |
| Income tax payable | 4,456,431 | 8,996,540 |
| **Total current liabilities** | **2,904,006,944** | **2,603,203,827** |
| **Non-current liabilities** | | |
| Deferred tax liabilities | 3,763,036 | 3,800,783 |
| Borrowings | 8,080,097 | 8,191,916 |
| **Total non-current liabilities** | **11,843,133** | **11,992,699** |
| **Total liabilities** | **2,915,850,077** | **2,615,196,526** |
| **Net assets** | **504,123,880** | **498,585,543** |

## 6. MATERIAL CHANGES IN FINANCIAL POSITION

**6.1** **Offeror and FMI.** As at the Latest Practicable Date, save for the making and financing of the Exit Offer, there has been (i) no known material change in the financial position of the Offeror since the date of its incorporation, and (ii) no known material change in the financial position of FMI since the latest published audited accounts.

## 7. SIGNIFICANT ACCOUNTING POLICIES

**7.1** **Offeror.** As no audited financial statements of the Offeror have been prepared to date, there are no significant accounting policies to be disclosed.

**7.2** **FMI.** The audited financial statements of FMI for the FPE2022 have been prepared in accordance with the provisions of the Myanmar Companies Law and Myanmar Financial Reporting Standards, including the modification of the requirements of Myanmar Accounting Standards 39 Financial Instruments: Recognition and Measurement in respect of loan loss provisioning by the Central Bank of Myanmar Notification No. 17/2017: Asset Classification and Provisioning Regulations. The summary of significant accounting policies of FMI are set out in Note 2 to the audited financial statements of FMI for the FPE2022 a copy of which is annexed as Appendix 9 of this Exit Offer Letter).

## 8. CHANGES IN ACCOUNTING POLICIES

**8.1** **Offeror.** As no audited financial statements of the Offeror have been prepared to date, there are no significant changes in accounting policies to be noted.

**8.2** **FMI.** As at the Latest Practicable Date, there has been no change in the accounting policies of FMI since the date of its audited consolidated financial statements for the FPE2022 which will cause the figures set out in paragraphs 4 and 5 of this Appendix 3 to be not comparable to a material extent.

## 9. INDEBTEDNESS

**9.1** Save as disclosed in this Exit Offer Letter, as at the Latest Practicable Date, the Offeror does not have any outstanding loan capital (whether issued or created but unissued), nor any term loans, nor any other bank borrowings or indebtedness in the nature of borrowing, including bank overdrafts, and liabilities under acceptances (other than normal trade bills), or acceptance credits, mortgages, charges, hire purchase commitments and obligations under finance leases nor any material contingent liabilities or guarantees.

## 10. MATERIAL LITIGATION

**10.1** **Offeror.** As at the Latest Practicable Date, the directors of the Offeror are not aware of any litigation, claims or proceedings pending or threatened against the Offeror or any facts likely to give rise to any litigation, claims or proceedings which, in the opinion of the directors of the Offeror, might materially and adversely affect the financial position of the Offeror.

## 11. MATERIAL CONTRACTS WITH INTERESTED PERSONS

**11.1** **Offeror.** Save as disclosed in this Exit Offer Letter, there are no material contracts which are not in the ordinary course of business which have been entered into by the Offeror and an interested person (within the meaning of the Note on Rule 23.12 of the Code) during the period commencing three (3) years prior to the Despatch Date.

**Shareholders should carefully consider and evaluate the following considerations, together with all the other information contained in this Exit Offer Letter, before deciding to elect for the New Offeror Shares. Some of the following risk factors relate principally to the business of the Offeror in general and to ownership of the Offeror Shares, including possible future sales of the Offeror Shares.**

**If any of the following considerations and uncertainties develops into actual events, the Offeror's business, financial condition and/or the value of the Offeror Shares could be materially and adversely affected, and Shareholders who elect to receive the New Offeror Shares should note that they may face a deterioration in the value of their investment in the New Offeror Shares.**

**The following risk factors do not purport to be a comprehensive analysis of all consequences, whether legal, tax or otherwise, relating to the ownership of the Offeror Shares.**

## RISKS RELATING TO THE BUSINESS OF THE OFFEROR

### 1. The Offeror has no track record and may not perform in the same manner as the Company

As the Offeror is a special purpose vehicle incorporated for the Offer, it has no business track record, financial or otherwise, prior to the Exit Offer. As such, Shareholders who elect to receive New Offeror Shares will not be able to evaluate the prospects for the Offeror's future business and performance.

In the event the Exit Offer turns unconditional and the Company becomes a wholly-owned subsidiary of the Offeror following the close of the Exit Offer, the Offeror will be subject to the inherent business and investment risks that the Company is currently exposed to. However, Shareholders should not assume that as an investment holding company holding all of the shares in the Company, the Offeror would perform in the same manner as the Company.

Other than its investment in the Company, the Offeror may invest in other companies and businesses and the risks associated with investing in such companies or businesses are uncertain. It is therefore possible for the Offeror to invest in companies and businesses that inherently carry more risks than the risks associated with a company providing primarily tourism services, and in regions where uncertainties with the legal system or adverse changes in political and economic policies could have a material adverse effect on the companies or businesses. Future acquisitions and any difficulties encountered in the acquisition and integration process may have an adverse effect on the ability of the Offeror to manage the businesses. Therefore, Shareholders who elect to receive the New Offeror Shares will have to bear all risks associated with holding shares in an investment holding company that has unrestricted investment capabilities in the tourism industry.

### 2. The Offeror may require additional funding for its future growth

The Offeror may require additional funding due to changing business conditions or other future developments, including any investments or acquisitions which the Offeror may decide to pursue. It is not possible to predict at this juncture the amount of funds required by the Offeror in the near future. However, if the future investments or acquisitions are carried out on a large-scale basis, the Offeror may seek additional funding either by way of issuance of additional equity and/or obtaining additional debt financing. The issuance of additional equity may result in dilution to the shareholders of the Offeror. Additional debt financing will result in increased debt service obligations and may contain restrictive covenants with respect to dividends, future fund-raising exercises and other financial and operational matters. There is also no assurance that the Offeror will be able to obtain such additional funding or on terms acceptable to the Offeror.

**RISKS RELATING TO THE OFFEROR SHARES**

**3. The Offeror Shares have never been publicly traded and will not be publicly traded upon the close of the Exit Offer**

The Offeror Shares (including the New Offeror Shares) are not listed on any securities exchange and as such, there will not be an easily determinable market value, if any, for the Offeror Shares. No assurance can be given to Shareholders that the Offeror will, in future, apply to be listed on a securities exchange. Accordingly, no assurance can be given to Shareholders that there will be a market for the Offeror Shares (including the New Offeror Shares). Shares of unlisted companies are generally valued at a discount to the shares of comparable listed companies as a result of a lack of marketability.

As such, taking into account also the transfer restrictions on the Offeror Shares (please see Appendix 8 of this Exit Offer Letter), holders of Offeror Shares may face difficulties liquidating their investments in the Offeror Shares. This may result in shareholders of the Offeror not being able to realise their investments in the Offeror Shares.

**4. The Offeror Shares are not freely transferable and the potential returns on the Offeror Shares may be limited**

As set out in Appendix 8 of this Exit Offer Letter, there are restrictions in the Offeror Constitution on the right to transfer the Offeror Shares (including the New Offeror Shares). Shareholders should therefore note that should they elect to receive the New Offeror Shares, given the restrictions in the Offeror Constitution on the right to transfer the Offeror Shares, the value that the Offeror Shares (including the New Offeror Shares) will have after the close of the Exit Offer is uncertain and Shareholders may face a deterioration in the value of their investment in the New Offeror Shares.

**5. There is no assurance that the Offeror will declare dividends on the Offeror Shares**

Shareholders should note that the Offeror's ability to declare dividends is dependent on many factors, including its financial condition, results of its investments, capital needs and investment plans. Further, as the Offeror is an investment holding company, the Offeror's ability to declare dividends is dependent on the dividends the Offeror receives from its investments. The ability of the Offeror's investee companies to declare dividends and other distributions to the Offeror would, in turn, depend on, amongst other things, their respective earnings and cashflows and be subject to the applicable laws and regulations of the relevant jurisdiction.

Any dividend that the Offeror Directors may therefore recommend or declare in respect of any particular financial year or period will be subject to the factors set out above. There is therefore no assurance that the Offeror will be able to declare dividends nor is there any indication of the levels of dividends that Shareholders can expect from the Offeror Shares (including the New Offeror Shares).

**6. The Offeror is not subject to the same corporate disclosure and corporate governance requirements that the Company has been subjected to**

As the Offeror is not listed on the SGX-ST or any other securities exchange, it is not subject to the disclosure and corporate governance requirements of the Catalist Rules or that of any other securities exchange. In addition, the Offeror, being an unlisted company, will not be obliged or required to have independent directors or a continuing sponsor, to make half-yearly financial reporting or disclosures of any material information (financial or otherwise) or to seek shareholders' approval for certain corporate actions and other continuing listing obligations prescribed by the Catalist Rules. As such, the Offeror may not have obligations to keep holders of the Offeror Shares (including the New Offeror Shares) fully informed of material information concerning the Offeror in the manner and to the extent that the Company has, and shareholders of the Offeror may not receive information on the Offeror that they may consider relevant to their investment in the Offeror Shares in the manner and to the extent that they are accustomed to expect from the Company. As shareholders of the Offeror may have limited access, if any, to information concerning the Offeror, Shareholders who elect to receive the New Offeror Shares should know that they are electing to hold or own securities in a company in respect of which they may have limited information.

**7. Future transfer of Offeror Shares will be subject to stamp duties**

Shareholders should note that as the Offeror Shares (including the New Offeror Shares) are not quoted on any securities exchange, such shares are not capable of being deposited with any depository or depository agent. As such, Shareholders who elect to accept the New Offeror Shares will have to hold such shares in scrip form and any future transfer of the Offeror Shares (including the New Offeror Shares) will be subject to the relevant stamp duties and other applicable charges for such transfers.

## 1. DIRECTORS

The names, addresses and descriptions of the Directors as at the Latest Practicable Date are as follows:

| Name | Address | Description |
|---|---|---|
| Mr. Serge Pun | c/o 63 Mohamed Sultan Road, #02-14, Sultan-Link, Singapore 239002 | Executive Chairman |
| Mr. Cyrus Pun | c/o 63 Mohamed Sultan Road, #02-14, Sultan-Link, Singapore 239002 | Chief Executive Officer and Executive Director |
| Mr. Tun Tun | c/o 63 Mohamed Sultan Road, #02-14, Sultan-Link, Singapore 239002 | Non-executive Non-Independent Director |
| Mr. Basil Chan | c/o 63 Mohamed Sultan Road, #02-14, Sultan-Link, Singapore 239002 | Lead Independent Director |
| Mr. Robin Lee Chye Beng | c/o 63 Mohamed Sultan Road, #02-14, Sultan-Link, Singapore 239002 | Non-Executive Independent Director |
| Mr. Chan Chun Hung Vincent | c/o 63 Mohamed Sultan Road, #02-14, Sultan-Link, Singapore 239002 | Non-executive Non-Independent Director |

## 2. SHARE CAPITAL

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S$129,125,466.65 comprising 502,170,955 Shares (based on a search conducted at the ACRA on the Latest Practicable Date), and the maximum potential issued share capital of the Company will comprise 506,061,595 Shares assuming that the Second Tranche Shares have been allotted and issued, but excluding the Conversion Shares.

Based on information provided by the Company to the Offeror, as at the Latest Practicable Date, the Company has outstanding bonds which are convertible into up to 19,829,729 Shares.

## 3. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in this Exit Offer Letter and the information disclosed in the announcements released by the Company on the SGX-ST, as at the Latest Practicable Date, there has not been, within the knowledge of the Offeror, any material change in the financial position or prospects of the Group since 30 September 2021, being the date of the last audited balance sheet of the Company laid before its Shareholders in general meeting.

## 4. REGISTERED OFFICE

The registered office of the Company is at 63 Mohamed Sultan Road #02-14 Sultan Link Singapore 239002.

## 1. DISCLOSURE OF HOLDINGS AND DEALINGS IN THE COMPANY SECURITIES

The disclosures of holdings and dealings in the Company Securities set out below are based on responses to enquiries that the Offeror has made.

## A. HOLDINGS OF SHARES OF THE OFFEROR CONCERT PARTY GROUP

The holdings of Shares of the Offeror Concert Party Group and Undertaking Shareholders as at the Latest Practicable Date are set out below:

| | Direct Interest | | Deemed Interest | | Total Interest | |
|---|---|---|---|---|---|---|
| | Number of Shares | %[1] | Number of Shares | %[1] | Number of Shares | %[1] |
| The Offeror | – | – | – | – | – | – |
| **Offeror Directors** | | | | | | |
| Mr. Serge Pun | 103,000 | n.m.[2] | 209,026,274[3] | 41.6[3] | 209,129,274 | 41.6 |
| Mr. Tun Tun | – | – | – | – | – | – |
| Mr. Cyrus Pun[4] | – | – | – | – | – | – |
| **Other Parties Acting or deemed to be Acting In Concert** | | | | | | |
| Yangon Land Company Limited | | | 41,947,426[5] | 8.4[5] | 41,947,426 | 8.4 |
| First Myanmar Investment Public Co., Ltd. | 41,947,426 | 8.4 | – | – | 41,947,426 | 8.4 |
| Yoma Strategic Holdings Ltd. | – | – | 167,078,848 | 33. 3 | 167,078,848 | 33.3 |
| Yoma Strategic Investments Ltd. | 167,078,848 | 33.3 | – | – | 167,078,848 | 33.3 |
| ACE | 41,131,520 | 8.2 | – | – | 41,131,520 | 8.2 |
| **Other Parties that are Undertaking Shareholders** | | | | | | |
| Samena | 141,004,800 | 28.1 | – | – | 141,004,800 | 28.1 |
| SHC | 35,662,759 | 7.1 | – | – | 35,662,759 | 7.1 |
| Bondholder | – | – | – | – | – | – |

**Notes:**

(1) Based on 502,170,955 Shares in issue as at the Latest Practicable Date. The Company does not have any treasury shares as at the Latest Practicable Date.

(2) "n.m." means not meaningful.

(3) Mr. Serge Pun is deemed to be interested in 167,078,848 Shares held by YSIL (which is wholly-owned by YSH, which is owned as to 28.1% by him) and 41,947,426 Shares held by FMI (which is owned as to 56.1% by him).

(4) Mr. Cyrus Pun is the son of Mr. Serge Pun.

(5) Yangon Land Company Limited is deemed to be interested in 41,947,426 shares held by FMI (which is owned as to 28.8% by Yangon Land Company Limited).

## B. DEALINGS IN COMPANY SECURITIES BY THE OFFEROR CONCERT PARTY GROUP DURING THE RELEVANT PERIOD

Based on the response to the enquiries that the Offeror has made, save as disclosed below, none of the Offeror Concert Party Group and Undertaking Shareholders had dealt for value in any Company Securities (excluding dealings on a non-discretionary basis which are subject to private disclosure under the Code) during the Relevant Period.

## 2. DISCLOSURE OF HOLDINGS AND DEALINGS IN OFFEROR SECURITIES

## A. HOLDINGS OF SHARES OF THE OFFEROR DIRECTORS AND OTHER PARTIES ACTING OR DEEMED TO BE ACTING IN CONCERT

The holdings of Offeror Shares of the Offeror Directors and other parties acting or deemed to be acting in concert with the Offeror and Undertaking Shareholders as at the Latest Practicable Date are set out below:

| | Direct Interest | | Deemed Interest | | Total Interest | |
|---|---|---|---|---|---|---|
| | Number of Shares | %[1] | Number of Shares | %[1] | Number of Shares | %[1] |
| **Offeror Directors** | | | | | | |
| Mr. Serge Pun[2] | – | – | 1 | 100.0 | – | – |
| Mr. Tun Tun | – | – | – | – | – | – |
| Mr. Cyrus Pun | – | – | – | – | – | – |
| **Other Parties Acting or deemed to be Acting In Concert** | | | | | | |
| Yangon Land Company Limited | | | 1[3] | 100.0[3] | 1 | 100.0 |
| First Myanmar Investment Public Co., Ltd. | 1 | 100.0 | – | – | 1 | 100.0 |
| Yoma Strategic Holdings Ltd. | – | – | – | – | – | – |
| Yoma Strategic Investments Ltd. | – | – | – | – | – | – |
| ACE | – | – | – | – | – | – |
| **Other Parties that are Undertaking Shareholders** | | | | | | |
| Samena | – | – | – | – | – | – |
| SHC | – | – | – | – | – | – |
| Bondholder | – | – | – | – | – | – |
| **Total Shareholding Interest** | | | | | | |

**Notes:**

(1) Based on 1 Offeror Share in issue as at the Latest Practicable Date. The Offeror does not have any treasury shares as at the Latest Practicable Date.

(2) Mr. Serge Pun is deemed to be interested in 1 Offeror Share held by FMI (which is owned as to 56.1% by him).

(3) Yangon Land Company Limited is deemed to be interested in the 1 Offeror Share held by FMI (which is owned as to 28.8% by Yangon Land Company Limited).

## B. DEALINGS IN OFFEROR SECURITIES BY THE OFFEROR DIRECTORS AND OTHER PARTIES ACTING OR DEEMED TO BE ACTING IN CONCERT DURING THE RELEVANT PERIOD

Based on the response to the enquiries that the Offeror has made, save as disclosed below, none of the Offeror Directors and other parties acting or deemed to be acting in concert with the Offeror and Undertaking Shareholders had dealt for value in any Offeror Securities (excluding dealings on a non-discretionary basis which are subject to private disclosure under the Code) during the Relevant Period.

# APPENDIX 7 – ADDITIONAL GENERAL INFORMATION

## 1. DISCLOSURE OF INTERESTS

**1.1 No Other Holdings or Dealings.** Save as disclosed in Appendix 6 to this Exit Offer Letter, as at the Latest Practicable Date, none of the Offeror, the director of the Offeror and parties acting in concert with the Offeror owns, controls, or has agreed to acquire or has dealt for value in any Company Securities or the Offeror Securities during the Relevant Period.

**1.2 No Indemnity Arrangements.** As at the Latest Practicable Date, save as disclosed in Section 5.4, Section 5.5 and Section 7 of this Exit Offer Letter, neither the Offeror nor any party acting in concert with the Offeror has entered into any arrangement of the kind referred to in Note 7 on Rule 12 of the Singapore Takeover Code, including any indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Company Securities or the Offeror Securities which may be an inducement to deal or refrain from dealing in the Company Securities or the Offeror Securities, as the case may be.

**1.3 Security Interests, Borrowing or Lending of Company Securities.** As at the Latest Practicable Date, none of the Offeror Concert Party Group has (i) granted a security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise, save as disclosed in Section 5.5 of this Exit Offer Letter, or (ii) borrowed or lent any Company Securities from or to another person.

**1.4 Irrevocable Undertakings.** As at the Latest Practicable Date, save as disclosed in Section 7.1 of this Exit Offer Letter, none of the Offeror Concert Party Group has received any irrevocable undertaking from any party to accept or reject the Exit Offer.

**1.5 No Agreement having any Connection with or Dependence upon the Exit Offer.** As at the Latest Practicable Date, save as disclosed in Section 5.4 and Section 7 of this Exit Offer Letter, there is no agreement, arrangement or understanding between (a) the Offeror or any parties acting in concert with the Offeror and (b) any of the current or recent Directors or any of the current or recent Shareholders, having any connection with or dependence upon the Exit Offer.

**1.6 Transfer of Offer Shares.** As at the Latest Practicable Date, there is no agreement, arrangement or understanding whereby any of the Offer Shares acquired pursuant to the Exit Offer will or may be transferred, charged or pledged to any other person. The Offeror, however, reserves the right to transfer any of the Offer Shares to any of its related corporations (within the meaning of Section 6 of the Companies Act) or for the purpose of granting security in favour of financial institutions which have extended or shall extend credit facilities to it.

**1.7 No Payment or Benefit to the Directors.** As at the Latest Practicable Date, there is no agreement, arrangement or undertaking for payment or other benefit being made or given to any Director or any director of a corporation which is by virtue of Section 6 of the Companies Act, deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Exit Offer. For the avoidance of doubt, no benefit has been given to any Director as compensation for loss of office or otherwise in connection with the Exit Offer.

**1.8** **No Agreement Conditional upon Outcome of the Exit Offer.** As at the Latest Practicable Date, save as disclosed in Section 7 of this Exit Offer Letter, there is no agreement, arrangement or understanding between (a) the Offeror and (b) any of the Directors or any other person in connection with or conditional upon the outcome of the Exit Offer or relate to the circumstances in which it may or may not invoke or seek to invoke a condition to the Exit Offer or is otherwise connected with the Exit Offer. Section 7 of this Exit Offer Letter refers to the Irrevocable Undertakings and Bondholder Undertaking, which are conditional upon the outcome of the Exit Offer. If Shareholders' Approval is not obtained at the EGM, or if the Minimum Acceptance Condition is not fulfilled by the close of the Exit Offer, the Irrevocable Undertakings and Bondholder Undertaking will lapse accordingly.

**1.9** **Transfer Restrictions.** As at the Latest Practicable Date, as far as the Offeror is aware, save as disclosed at Appendix 8 of this Exit Offer Letter, there is no restriction in the Constitution of the Company on the right to transfer any Offer Shares, which has the effect of requiring the holders of such Offer Shares before transferring them, to offer them for purchase by members of the Company or any other person.

**1.10** **Directors' Service Contracts**. As at the Latest Practicable Date, save as disclosed in this Exit Offer Letter, there is no agreement, arrangement or understanding between the Offeror or any party acting in concert with it and any director of the Offeror, whereby the emoluments received by the directors of the Offeror will be affected as a consequence of the Exit Offer or any other associated relevant transaction.

**1.11** **No Material Change in Information.** Save for the information relating to the Offeror and the Exit Offer that is publicly available, there has been, within the knowledge of the Offeror, no material change in any information previously published by or on behalf of the Offeror during the period commencing from the Joint Announcement Date and ending on the Latest Practicable Date.

**2. GENERAL**

**2.1** **Costs and Expenses.** All costs and expenses of or incidental to the Exit Offer including the preparation and circulation of this Exit Offer Letter and the Acceptance Forms (other than professional fees and other costs relating to the Exit Offer incurred or to be incurred by the Company), stamp duty and transfer fees resulting from acceptances of the Exit Offer, will be paid by the Offeror.

**2.2** **Financial Adviser's Consent.** SAC Capital Private Limited, as the Financial Adviser, has given and has not withdrawn its written consent to the issue of this Exit Offer Letter with the inclusion herein of its name and the references to its name, in the form and context in which its name appears in this Exit Offer Letter.

**2.3** **Share Registrar's Consent.** B.A.C.S. Private Limited, as the Share Registrar, has given and has not withdrawn its written consents to the issue of this Exit Offer Letter with the inclusion herein of its name and the references to its name, in the form and context in which its name appear in this Exit Offer Letter.

## 3. MARKET QUOTATIONS

**3.1 Closing Prices.** The following table sets out the closing price of the Shares on the SGX-ST (as reported by Bloomberg L.P.) on (i) the Latest Practicable Date; (ii) 9 September 2022 (being the last trading day); and (iii) the last day of each month from March 2022 to August 2022 (being six (6) calendar months preceding the Joint Announcement Date):

| | Closing Price (S$) |
|---|---|
| 25 October 2022, being the Latest Practicable Date | 0.046[(1)] |
| 9 September 2022, being the last trading day | 0.093 |
| August 2022 | 0.066 |
| July 2022 | 0.017[(2)] |
| June 2022 | 0.017[(2)] |
| May 2022 | 0.020[(3)] |
| April 2022 | 0.027[(4)] |
| March 2022 | 0.019 |

**Notes:**

(1) Based on the last closing price on 21 October 2022 as there were no trades on the Latest Practicable Date.

(2) Based on the last closing price on 22 June 2022 as there were no trades in the month of July 2022 and on the last day of June 2022.

(3) Based on the last closing price on 10 May 2022 as there were no trades on the last day of May 2022.

(4) Based on the last closing price on 27 April 2022 as there were no trades on the last day of April 2022.

**3.2 Highest and Lowest Closing Prices of the Shares.** The highest and lowest closing prices of the Shares on the SGX-ST (as reported by Bloomberg L.P.) during the period between the start of the six (6) months preceding the Joint Announcement Date and the Latest Practicable Date, and respective dates transacted are as follows:

| | Price (S$) | Date(s) transacted |
|---|---|---|
| Highest closing price | 0.113 | 6 September 2022 |
| Lowest closing price | 0.017 | 14 March 2022 |
| | | 16 March 2022 |
| | | 18 March 2022 |
| | | 24 March 2022 |
| | | 22 June 2022 |
| | | 15 August 2022 |
| | | 16 August 2022 |
| | | 23 August 2022 |

**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection (i) during normal business hours at the office of the Share Registrar at 77 Robinson Road #06-03, Robinson 77, Singapore 068896; and (ii) on the website of the Company (http://memoriesgroup.com), from the date of this Exit Offer Letter until the Closing Date:

(a) the Offeror Constitution;

(b) the Constitution of the Company;

(c) the annual reports of the Company for FPE2019, FYE2020 and FYE2021;

(d) the Joint Announcement;

(e) the Exit Offer Letter;

(f) the Irrevocable Undertakings;

(g) the Bondholder Undertaking;

(h) the audited financial statements of FMI and its subsidiaries for FYE2020, FYE2021 and FPE2022; and

(i) the letters of consent from the Financial Adviser and the Share Registrar as referred to in paragraph 2 of this Appendix 7.

The provisions in the Offeror Constitution relating to rights of Shareholders in respect of capital, dividends and voting are reproduced below.

All capitalised terms used in the following extracts shall have the same meanings ascribed to them in the Offeror Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours until the Closing Date.

**(A) RIGHTS IN RESPECT OF CAPITAL**

| | | |
|---|---|---|
| | **PRIVATE COMPANY** | |
| 7. | The Company is a private company and accordingly:<br><br>(a) the number of Members (not including persons who are in the employment of the Company or of its subsidiary, but including persons who having been formerly in the employment of the Company or of its subsidiary were while in the employment and have continued after the determination of that employment to be Members) shall be limited to fifty. Provided that for the purposes of this provision where two or more persons hold one or more shares in the Company jointly they shall be treated as a single Member; and<br><br>(b) the right to transfer the shares of the Company shall be restricted in the manner hereinafter appearing. | Limited number of Members and restrictions on transfer of shares |
| | **SHARE CAPITAL** | |
| 8. | Save as provided under Section 161 of the Act, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to this Constitution, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Company in General Meeting may approve. Any such approval of the Company in General Meeting may be confined to a particular exercise by the Directors of the power of the Company to issue shares or may apply to the exercise by the Directors of that power generally, and any such approval may be unconditional or subject to conditions. | Issue of shares |
| 9. | Any approval of the Company given under Regulation 8 shall (unless revoked or varied by the Company in General Meeting) continue in force until:<br><br>(a) the conclusion of the next Annual General Meeting of the Company held after the date on which such approval was given; or<br><br>(b) the expiration of the period within which the next Annual General Meeting of the Company after the date on which such approval was given, is required by law to be held, whichever is the earlier. | Period for which approval of Company in General Meeting in force |

| | | |
|---|---|---|
| 10. | The rights attached to shares issued upon special conditions shall be clearly defined in this Constitution. Without prejudice to any special right previously conferred on the holders of any existing shares or class of shares but subject to the Act and this Constitution, shares in the Company may be issued by the Directors. Any such shares may be issued with such preferred, deferred, qualified or special, limited or conditional rights, or subject to such restrictions, whether with regards to dividend, voting, return of capital or otherwise, or which do not confer voting rights, as the Company may from time to time approve, and preference shares may be issued by the Directors which are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company may by special resolution approve before the issue thereof. | Special Rights |
| 11. | Notwithstanding the foregoing Regulations on the issue of preference shares, holders of preference shares will be deemed to have the same rights as holders of ordinary shares as regards the receiving of notices, reports and financial statements and the attending of and speaking at General Meetings of the Company. Holders of preference shares shall have the right to vote at any meeting on any resolution to wind up the Company by way of a Members' voluntary winding-up or on any resolution to vary any right attached to the preference shares and conferred on the holder thereof. | Rights of holders of preference shares |
| 12. | The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by the provisions this Constitution as are in force at the time of such issue, be deemed to be varied by the creation or issue of further shares ranking equally therewith. Creation or issue of further shares with special rights | Creation or issue of further shares with special rights |
| 13. | The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. | Power to pay commission and brokerage |
| 14. | If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or the provisions of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act pay interest on such of the shares (excluding treasury shares) as is for the time being paid up and may charge the same to capital as part of the cost of the construction or provision. | Power to charge interest on capital |
| 15. | If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same. | Payment of instalments for issue price of shares |
| 16. | Any two or more persons may be registered as joint holders of any share and the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of the share. Any one of the joint holders of any share may give effectual receipts for any dividends, bonuses or other moneys payable in respect of the share. Such joint holders shall be deemed to be one Member and the delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders. | Joint holders |

| | | |
|---|---|---|
| 17. | Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person entered in the Register of Members as the registered holder thereof. | Absolute owner of shares |
| | **SHARE CERTIFICATES** | |
| 18. | The certificate of title to shares in the capital of the Company may be issued under the Seal or executed as a deed in accordance with the Act, in each case in such form as the Directors shall from time to time prescribe and where issued under the Seal, shall bear the autographic or facsimile signature of at least one Director and the Secretary or a second Director or some other person appointed by the Directors, and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Directors. No certificate shall be issued representing shares of more than one class. | Share Certificates |
| 19. | Every person whose name is entered as a Member in the Register of Members shall be entitled, within 60 days after allotment or within 30 days after a notice of transfer of shares is lodged with the Share Registrar, to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and the Member shall pay a fee not exceeding S$2/- for each such new certificate as the Directors may determine. | Entitlement to certificate |
| 20. | If any certificate or other document of title to shares or debentures be worn out or defaced, then upon production thereof to the Directors, they may order the same to be cancelled and may issue a new certificate in lieu thereof. For every certificate so issued there shall be paid to the Company a fee not exceeding S$2/- as the Directors may determine. Subject to the provisions of the Act and the requirements of the Directors thereunder, if any certificate or document be lost or destroyed or stolen, then upon proof thereof to the satisfaction of the Directors and on such indemnity as the Directors deem adequate being given, and on the payment of a fee not exceeding S$2/- as the Directors may determine, a new certificate or document in lieu thereof shall be given to the person entitled to such lost or destroyed or stolen certificate or document. | New certificates may be issued |
| 21. | In the case of a share registered jointly in the name of two or more persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all. | Issue of one certificate to joint holders |

| | | |
|---|---|---|
| | **LIEN ON SHARES** | |
| 22. | The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) registered in the names of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof for all calls and instalments due on any such share and interest and expenses thereon but such lien shall only be upon the specific shares in respect of which such calls or instalments are due and unpaid and on all dividends from time to time declared in respect of the shares. The Directors may waive any lien which has arisen and may resolve that any share shall for some specified period be exempt from the provisions of this Regulation. | Company to have paramount lien |
| 23. | The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after notice in writing stating and demanding payment of the sum payable and giving notice of intention to sell in default, shall have been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy. To give effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser thereof. Subject to the provisions of this Constitution relating to transfers of shares being complied with, the Company shall lodge with the Share Registrar a notice of transfer of shares in relation to the shares sold to the purchaser as aforesaid. | Sale of shares subject to lien |
| 24. | The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall be paid to the person entitled to the shares immediately prior to the sale. | Application of proceeds of such sales |
| 25. | The statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale together with the certificate of proprietorship of the share, under Seal or executed as a deed in accordance with the Act, delivered to a purchaser thereof shall (subject to the execution of a transfer by a person authorised by the Directors if the same is required) constitute a good title to the share and the person to whom the share is sold shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the sale of the share. | Statutory declaration by director and title to shares sold to satisfy a lien |
| | **CALLS ON SHARES** | |
| 26. | The Directors may from time to time make such calls upon the Members in respect of any moneys unpaid on their shares or any class of their shares and not by the terms of the issue thereof made payable at fixed times. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments. A call may be revoked or postponed as the Directors may determine. | Calls on shares |

| | | |
|---|---|---|
| 27. | Each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. | Time for payment |
| 28. | The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. | Liability of joint holders |
| 29. | If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due of five per cent. per annum on and from the day appointed for payment thereof to the time of actual payment, but the Directors shall be at liberty to waive payment of such interest or any part thereof. | Interest on unpaid calls |
| 30. | Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date, shall for all purposes of this Constitution be deemed to be a call duly made and payable on the date, on which, by the terms of issue, the same becomes payable. In case of non-payment all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | Sum due on allotment |
| 31. | The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment. | Power of Directors to differentiate |
| 32. | The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which they are made, and upon the moneys so received or so much thereof as from time to time exceeds the amount of the calls then made upon the shares concerned the Company may pay interest at such rate not exceeding eight per cent. per annum (unless the Company in General Meeting shall in any instance approve otherwise) as the Member paying such sum and the Directors agree upon in advance. | Payment in advance of calls |
| | **FORFEITURE OF SHARES** | |
| 33. | If any Member fails to pay in full any call or instalment of a call on or before the day appointed for payment thereof, the Directors may at any time thereafter during which the call or instalment remains unpaid, serve a notice on such Member requiring payment of so much of the call or instalment as is unpaid together with any interest at such rate as set out in these Regulations as may have accrued and any expenses which may have been incurred by the Company by reason of such non-payment. | Notice requiring payment of calls |
| 34. | The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made. The notice shall state that in the event of non-payment in accordance therewith the shares on which the call was made will be liable to be forfeited. | Notice to state time and place |

| | | |
|---|---|---|
| 35. | If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder. | Forfeiture on non-compliance with notice |
| 36. | Where any share shall be so forfeited by a resolution of the Directors, the Company may give notice of forfeiture to the Member in whose name the share stood immediately prior to the forfeiture. Any failure or omission to give notice as aforesaid shall not in any manner invalidate the forfeiture of the share concerned. | Notice of forfeiture |
| 37. | At any time before a sale, re-allotment or disposition of a share so forfeited or surrendered, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. | Power to cancel forfeiture or surrender |
| 38. | A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any person as aforesaid. Subject to the provisions of this Constitution relating to transfers of shares being complied with, the Company shall lodge with the Share Registrar (other than where the shares are sold, re-allotted or otherwise disposed of to the person who was before such forfeiture or surrender the holder thereof or entitled thereto) a notice of transfer of shares in relation to the shares sold, re-allotted or otherwise disposed of to the purchaser as aforesaid. | Sale of shares forfeited |
| 39. | A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at five per cent. per annum from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such moneys in respect of the shares and the Directors may waive payment of such interest either wholly or in part. | Rights and liabilities of Members whose shares have been forfeited or surrendered |
| 40. | The statutory declaration in writing that the declarant is a Director of the Company and that a share has been duly forfeited or surrendered on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the certificate of proprietorship of the share, under Seal or executed as a deed in accordance with the Act, delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer by a person authorised by the Directors if the same is required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, surrender, sale, re-allotment or disposal of the share. | Statutory declaration by director and title to shares forfeited or surrendered |

| | | |
|---|---|---|
| | **RESTRICTION ON TRANSFER OF SHARES** | |
| 41. | Subject to the restrictions of this Constitution, any Member may transfer all or any of his shares, but every transfer must be in writing and in the usual common form, or in any other form which the Directors may approve. The instrument of transfer of a share shall be signed both by the transferor and by the transferee, and by the witness or witnesses thereto, and shall be lodged at the Office. The transferor shall remain the holder of a share until the Register of Members is updated by the Share Registrar with the name of the transferee in respect of the share. Shares of different classes shall not be comprised in the same instrument of transfer. | Form of Transfer |
| 41A.1 | A Member who wishes to transfer shares (a "**Seller**") shall, except as otherwise provided in this Constitution, before transferring or agreeing to transfer any Shares give notice in writing (a "**Transfer Notice**") to the Company specifying:<br><br>41A.1.1 the number of shares which it wishes to transfer (the "**Sale Shares**");<br><br>41A.1.2 the name of the proposed third-party transferee to whom it wishes to sell the Sale Shares;<br><br>41A.1.3 the price at which the Sale Shares are to be transferred (the "**Transfer Price**");<br><br>41A.1.4 the number of shares the Seller owns at that time determined on a fully-diluted basis; and<br><br>41A.1.5 the other terms and conditions of such sale (if any). | Right of First Refusal |
| 41A.2 | Except with the consent of the Directors, no Transfer Notice once given or deemed to have been given under this Constitution may be withdrawn. | |
| 41A.3 | A Transfer Notice constitutes the Company as the agent of the Seller for the sale of the Sale Shares at the Transfer Price. | |
| 41A.4 | As soon as practicable following the receipt (or deemed receipt) by the Company of a Transfer Notice the Board shall offer the Sale Shares for sale to the Members (each, a "**ROFR Offered Shareholder**") Each offer must be in writing and give details of the Transfer Notice, including the number and Transfer Price of the Sale Shares offered. | |
| 41A.5 | Offer and Application<br><br>41A.5.1 The Board shall offer the Sale Shares to the ROFR Offered Shareholders, inviting them to apply in writing within the period from the date of the offer to the date **ten (10)** Business Days after the offer (inclusive) (the "**First Offer Period**") for the purchase of all (and not part only) of their *pro rata* share (based on their respective shareholding as between the ROFR Offered Shareholders) of the Sale Shares. | |

| | | |
|---|---|---|
| | 41A.5.2 If, at the end of the First Offer Period, some but not all of the ROFR Offered Shareholders have applied for their full *pro rata* share of the Sale Shares (those ROFR Offered Shareholders who did not apply for their full *pro rata* share of the Sale Shares to be known as the "**Refusing Shareholders**"), the Board shall invite the ROFR Offered Shareholders (excluding the Refusing Shareholders) who have applied to buy their full *pro rata* share, to apply in writing within the period from the date of such invite to the date **ten (10)** Business Days after the invite (inclusive) (the "**Second Offer Period**") for the maximum number of the balance Sale Shares not applied for that they wish to buy.<br><br>41A.5.3 If all of the Sale Shares have been applied for at the end of the First Offer Period or the Second Offer Period (as the case may be), the Board shall within **two (2)** Business Days after the end of the First Offer Period or the Second Offer Period (as the case may be) allocate the Sale Shares to the applicants in accordance with their applications, and in the case of any competition for the balance Sale Shares (where the number of balance Sale Shares applied for exceeds the number available), the Board shall allocate the balance Sale Shares to each relevant ROFR Offered Shareholder who has applied for balance Sale Shares in the proportion (fractional entitlements being rounded to the nearest whole number) which its existing holding of the relevant class(es) of Shares (on an as-converted basis) bears to the total number of the relevant class(es) of Shares held by those ROFR Offered Shareholders who have applied for balance Sale Shares (on an as-converted basis), which procedure shall be repeated until all balance Sale Shares have been allocated but no allocation shall be made to a Member of more than the maximum number of balance Sale Shares which it has stated it is willing to buy.<br><br>41A.5.4 If no Sale Shares have been applied for at the end of the First Offer Period or if the total number of Sale Shares applied for at the end of the Second Offer Period is not all of the Sale Shares (as the case may be), the Board shall within **two (2)** Business Days after the end of the First Offer Period or the Second Offer Period (as the case may be) notify the Seller and the ROFR Offered Shareholders stating the remaining number of Sale Shares not applied for. During the period of **eight (8)** weeks following such notice, the Seller shall, subject to compliance with the other provisions of this Constitution, including but not limited to Regulation 41B, be at liberty to sell all (and not some only) of the Sale Shares to the third party transferee stated in the Transfer Notice and at any price (not being less than the Transfer Price) and on terms not more favourable to the third party transferee than the terms set out in the Transfer Notice, except that the Seller may provide representations, warranties, covenants and indemnities customary for such transfer to the third party transferee. In the event that the transfer of the Sale Shares to the third party transferee stated in the Transfer Notice is not completed within the time frames stipulated in this Regulation 41A.5, the transfer shall again be subject to the provisions of this Regulation 41A.5. | |
| 41A.6 | Completion of Transfer<br><br>41A.6.1 Upon completion of the allocation under Regulation 41A.5.3, the Board shall within two (2) Business Days of the completion of such allocation give written notice of the allocation (an "**Allocation Notice**") to the Seller and each Member to whom Sale Shares have been allocated (an "**Applicant**") specifying the number of Sale Shares allocated to each Applicant and the place and time (being not less than **five (5)** Business Days nor more than **ten (10)** Business Days after the date of the Allocation Notice) for completion of the transfer of the Sale Shares. | |

| | | |
|---|---|---|
| | 41A.6.2 Upon service of an Allocation Notice, the Seller must, against payment of the Transfer Price, transfer the Sale Shares to the Applicants in accordance with the requirements specified in it, by the delivery of duly executed transfer forms together with the relative share certificates in respect of such Sale Shares to the Applicants.<br><br>41A.6.3 If the Seller fails to comply with the provisions of this Regulation:<br><br>(a) the Company and each Director shall be constituted and shall be deemed to have been appointed the agent and attorney of the Seller with full power to:<br><br>(i) take such actions and complete, execute and deliver, in the name and on behalf of the Seller, all documents necessary to give effect to the transfer of the relevant Sale Shares to the Applicants against payment of the relevant Transfer Price to the Company; and<br><br>(ii) (subject to the transfer being duly stamped) enter the Applicants in the electronic register of members as the holders of the Sale Shares purchased by them; and<br><br>(b) the Company's receipt of the Transfer Price shall be a good discharge to the Applicants. Upon receipt of the Transfer Price, the Company shall pay the Transfer Price into a separate bank account in the Company's name on trust (but without interest) or otherwise hold the Transfer Price on trust for the Seller until it has delivered to the Company its share certificate(s) in respect of the relevant Sale Shares (or a duly executed indemnity for lost certificate in a form acceptable to the Directors). | |
| 41B. | A Member (not being FMI) which proposes to sell or otherwise dispose of its shares in the capital of the Company requires the written consent of the other non-transferring Members holding at least thirty per cent (30%) interest in the Company. None of the Members shall transfer its shares in the Offeror to persons on the Sanctions List. | Other restrictions on transfers |
| 41C. | In the event that any one or more Members holding more than thirty per cent (30%) of the Company's shares proposes to sell all their shares in the Company at a price that is not less than the valuation of the Offeree's business at which the offer is made to a bona fide buyer, they shall have the right to require the other Members (if required by the buyer) to sell some or all of their shares in the Company as part of such sale at the same price and terms. This Drag Along right shall only apply after the third anniversary of the Closing Date. | Drag along rights |
| 41D. | FMI shall not sell, dispose of or transfer any of its shares in the Company or any interest therein, and will procure that none of its affiliates or associated companies will sell, dispose of or transfer their shareholding interest in the Company (whether direct or indirect), for a period of three (3) years from Closing Date. Thereafter if it proposes to sell any shares, the other Members shall have the right to participate in such sale on a pro rata basis in accordance with Regulation 41A**.** | Restrictions on FMI |

| | | |
|---|---|---|
| 42. | All instruments of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same. | Retention of Transfers |
| 43. | No share shall in any circumstances be transferred to any infant or bankrupt or person who is mentally disordered and incapable of managing himself or his affairs. | Infant, bankrupt or mentally disordered |
| 44. | The Directors may, in their absolute discretion, decline to lodge with the Share Registrar a notice of transfer of shares on which the Company has a lien or to a person of whom they do not approve but shall in such event, within 30 days after the date on which the transfer was lodged with the Company send to the transferor and transferee notice of the refusal. If the Directors refuse to lodge with the Share Registrar a notice of transfer of shares, they shall within 30 days of the date of application for the transfer by notice in writing to the applicant state the facts which are considered to justify the refusal to register the transfer. | Directors' power to decline to register |
| 45. | The Directors may decline to lodge with the Share Registrar a notice of transfer in respect of any share which has been transferred unless:<br><br>(a) such fee not exceeding S$2/- or such other sum as the Directors may from time to time require under the provisions of this Constitution, is paid to the Company in respect thereof;<br><br>(b) the instrument of transfer is lodged at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificate of the share to which the transfer relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do. | Instrument of transfer etc to be lodged |
| 46. | The lodging by the Company of any notice of transfer of shares with the Share Registrar for purpose of updating the Register of Members shall be suspended during the fourteen days immediately preceding every Annual General Meeting of the Company (unless the Meeting is dispensed with in accordance with this Constitution and the Act) and at such other time or times as the Directors may determine, but for not more than thirty days in aggregate in any year. | Suspension of lodging of notices of transfer of shares |
| 47. | (a) The Company shall provide a book to be called "Register of Transfers" which shall be kept under the control of the Directors, and in which shall be entered the particulars of every transfer of shares.<br><br>(b) The Register of Transfers may be closed at such times and for such periods as the Directors may from time to time determine not exceeding in the whole thirty days in any year. | Register of Transfers |

| | | |
|---|---|---|
| | **TRANSMISSION OF SHARES** | |
| 48. | In case of the death of a Member, the survivor or survivors, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares, but nothing herein shall release the estate of a deceased Member (whether sole or joint) from any liability in respect of any share held by him. | Transmission on death |
| 49. | (a) Any person becoming entitled to a share in consequence of the death or bankruptcy of any Member may, upon producing such evidence as the Directors may reasonably require to show his legal title to the share, either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or to transfer such share to some other person.<br><br>(b) If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.<br><br>(c) If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share.<br><br>(d) All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member. | Persons becoming entitled on death or bankruptcy of Member may be registered |
| 50. | Save as otherwise provided by or in accordance with this Constitution, a person becoming entitled to a share in consequence of the death or bankruptcy of a Member shall have the right to receive and give good discharge for the same dividends or other moneys payable in respect of the share and be entitled to other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to Meetings of the Company until he shall have been registered as a Member in the Register of Members in respect of the share. | Rights of unregistered executors and trustees |
| | **ISSUE OF NEW SHARES** | |
| 51. | Subject to any special rights for the time being attached to any existing class of shares, the Company may by ordinary resolution, whether all the issued shares have been fully paid up or not, issue such new shares as the Company by the resolution authorising such issue may direct. | Power of Company to issue shares, whether issued shares fully paid |
| 52. | The new shares in the Company shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct, and in particular such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise. If no direction is given by the Company by the resolution resolving upon the creation of the new shares as to the terms and conditions of issue and/or the rights and privileges thereof, the Directors shall determine the same subject to the provisions of this Constitution. | Rights and privileges of new shares |

| | | |
|---|---|---|
| 53. | Unless otherwise determined by the Company in General Meeting, any new shares shall, before issue, be offered in the first instance to all the then holders of any class of shares in proportion as nearly as may be to the number of existing shares to which they are entitled. In offering such shares in the first instance to all the then holders of any class of shares the offer shall be made by notice specifying the number of shares offered and limiting the time within which the offer if not accepted will be deemed to be declined and after the expiration of that time or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company and the Directors may dispose of or not issue any such shares which by reason of the proportion borne by them to the number of holders entitled to any such offer or by reason of any other difficulty in apportioning the same cannot, in the opinion of the Directors, be conveniently offered under this Regulation. | Issue of new shares to Members |
| 54. | Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the provisions of the Act and this Constitution with reference to allotments, payment of calls, liens, transfers, transmissions, forfeiture, surrender and otherwise. | New shares otherwise subject to Regulations |
| | **ALTERATION OF CAPITAL** | |
| 55. | The Company may by ordinary resolution:<br><br>(a) consolidate and divide all or any of its shares; or<br><br>(b) cancel the number of shares which at the date of the passing of the ordinary resolution have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled; or<br><br>(c) sub-divide its shares or any of them (subject nevertheless to the provisions of the Act). Provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; or<br><br>(d) subject to the provisions of this Constitution and the Act, convert any class of shares into any other class or shares, Provided That a share that is not a redeemable preference share when issued cannot afterwards be converted into a redeemable preference share; or<br><br>(e) subject to the provisions of the Act, convert its share capital or any class of shares from being denominated in one currency into being re-denominated in another currency.<br><br>The Company shall as required under the Act lodge the requisite notice of alteration of its share capital with the Share Registrar. | Power to consolidate or subdivide shares, convert any class of shares to any other class, or convert the currency of shares |

| | | |
|---|---|---|
| 56. | The Company may by special resolution reduce its share capital in any manner and with and subject to any incident authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of a share purchased or otherwise acquired by the Company pursuant to this Constitution and the Act, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly. | Power to reduce capital |
| 57. | Subject to the Act, the Company may purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share that is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of a share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Without prejudice to the generality of the foregoing, upon the cancellation of any share purchased or otherwise acquired by the Company pursuant to this Constitution, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly. | Power to repurchase shares |
| 58. | The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may deal with the treasury shares in the manner authorised by, or prescribed pursuant to, the Act. | Treasury Shares |
| | **MODIFICATION OF CLASS RIGHTS** | |
| 59. | If at any time the share capital is divided into different classes, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act (whether or not the Company is being wound up), be varied or abrogated with the sanction of a special resolution passed at a separate General Meeting of the holders of shares of the class. To every such special resolution the provisions of Section 184 of the Act shall with such adaptations as are necessary apply. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall with such adaptations as are necessary apply. Provided Always That:<br><br>(a) (subject to paragraph (b) below) the necessary quorum shall be two persons at least holding or representing by proxy one-third of the issued shares of the class and in respect of whose shares all calls and other sums due thereon have been paid, and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, but where the necessary majority for such a special resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the Meeting shall be as valid and effectual as a special resolution carried at the Meeting; or | Modification of class rights |

| | | |
|---|---|---|
| | (b) where all the issued shares of the class are held by one person, the necessary quorum shall be one person and such holder of shares of the class present in person or by proxy or by attorney may demand a poll.<br><br>The Directors shall comply with the provisions of Section 186 of the Act as to lodging a copy of any such special resolution with the Share Registrar. | |
| | **CONVERSION OF SHARES INTO STOCK** | |
| 60. | The Company may by ordinary resolution convert any paid-up shares into stock or stock units and may from time to time reconvert such stock or stock units into paid-up shares. | Conversion of shares to stock |
| 61. | When any shares have been converted into stock or stock units, the several holders of such stock or stock units may transfer their respective interests therein or any part of such interests in such manner as the Company in General Meeting shall direct, but in default of any direction then in the same manner and subject to the same Regulations as and subject to which the shares from which the stock or stock units arose might previously to conversion have been transferred or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum amount of stock or stock units transferable. | Stockholders entitled to transfer interest |
| 62. | The several holders of stock or stock units shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock or stock units and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same privileges and advantages for the purposes of voting at meetings of the Company and for other purposes as if they held the shares from which the stock or stock units arose, but so that none of such privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such aliquot part of consolidated stock as would not, if existing in shares, have conferred such privileges or advantages. | Stockholders entitled to profits |
| 63. | All such provisions of these Regulations as are applicable to paid up shares shall apply to stock and stock units and in all such provisions the words “share” and “shareholder” shall include “stock” and “stockholder”. | Definitions |
| | **BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES** | |
| 157. | The Company may, upon the recommendation of the Directors, by ordinary resolution, including any ordinary resolution passed pursuant to Regulation 8:<br><br>(a) issue bonus shares for which no consideration is payable to the Company, to the Members holding shares in the Company in proportion to their then holdings of shares; and/or | Power to issue free bonus shares and/or to capitalise profits |

| | | |
|---|---|---|
| | (b) capitalise any sum for the time being standing to the credit of any of the Company's reserve accounts or any sum standing to the credit of the profit and loss account or otherwise available for distribution (provided that such sum be not required for paying the dividends on any shares carrying a fixed cumulative preferential dividend) and accordingly that the Directors be authorised and directed to appropriate the sum resolved to be capitalised to the Members holding shares in the Company in the proportions in which such sum would have been divisible amongst them had the same been applied or been applicable in paying dividends and to apply such sum on their behalf either in or towards paying up the amounts (if any) for the time being unpaid on any shares held by such Members respectively, or in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class or shares for the time being issued, new shares of any other class not being redeemable shares)<br><br>or debentures of the Company, such shares or debentures to be allotted and distributed and credited as fully paid up to and amongst such Members in the proportion aforesaid or partly in one way and partly in the other. | |
| 158. | Whenever such an ordinary resolution under Regulation 157 shall have been passed, the Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalisation with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all such Members. | Power of Directors to give effect to bonus issues and/or capitalisations |

**(B) RIGHTS IN RESPECT OF DIVIDENDS**

| | **DIVIDENDS** | |
|---|---|---|
| 143. | The Company may by ordinary resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company, or in excess of the amount recommended by the Directors. | Declaration of dividends out of profits |
| 144. | Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:<br><br>(a) all dividends in respect of shares shall be paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and | Appointment of dividends |

| | | |
|---|---|---|
| | (b) all dividends shall be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.<br><br>For the purposes this Regulation, the amount paid or credited as paid on a share in advance of a call is to be ignored. | |
| 145. | If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may pay the fixed preferential dividends on any class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit. | Payment of preference and interim dividends |
| 146. | The Directors may deduct from any dividend or other money payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith. | Deduction for debts due to Company |
| 147. | The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exits. | Retention of dividends on shares subject to lien |
| 148. | The Directors may retain the dividends payable on shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same. | Retention of dividends on shares pending transmission |
| 149. | A transfer of shares shall not pass the right to any dividend declared on such shares before the updating by the Share Registrar of the Register of Members in respect of such transfer. | Effect of share transfer |
| 150. | The Company may, upon the recommendation of the Directors, by ordinary resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid up shares or debentures of any other company) or in any one or more of such ways; and the Directors shall give effect to such resolution and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. | Payments of dividend in specie |

| | | |
|---|---|---|
| 151. | Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant send through the post to the registered address of the Member or person entitled thereto, or, if several persons are registered as joint holders of the shares or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one such persons or to such persons and such address as such persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque if purporting to be endorsed or the receipt of any such person shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. | Dividends payable by cheque |
| 152. | If two or more persons are registered in the Register of Members as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the shares. | Payment of dividends to joint holders |
| 153. | Notices of declaration of any dividend, whether interim or otherwise, may be given by advertisement in such daily newspaper or newspapers circulating generally in Singapore and at such times as the Directors think fit. | |
| 154. | Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to persons registered as the holders of such shares in the Register of Members as at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such dividend of transferors and transferees of any such shares. | Resolution declaring dividends may specify date on which they shall be payable |
| 155. | The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after first becoming payable may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any such moneys unclaimed after a period of six years from the date they are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the moneys so forfeited to the person entitled thereto prior to the forfeiture. | Unclaimed dividends or other moneys |
| 156. | No dividend or other moneys payable on or in respect of a share shall bear interest against the Company. | Dividends not to bear interest |

**(C) RIGHTS IN RESPECT OF VOTING**

| | **GENERAL MEETINGS** | |
|---|---|---|
| 64. | Save as otherwise permitted under the Act, the Company shall, in addition to other meetings held by it, hold, with respect to each financial year, a General Meeting as its Annual General Meeting, at such time and place as may be determined by the Directors, but in any event no later than required under the Act. Any Regulation set out herein which requires a Director to resign or retire at an Annual General Meeting shall not apply and shall have no effect to the extent that an Annual General Meeting is not required to be held under the Act and is not held. | Annual General Meeting |
| 65. | All General Meetings of the Company other than Annual General Meetings shall be called Extraordinary General Meetings. | Extraordinary General Meetings |
| 66. | Any Directors may, whenever he thinks fit, convene an Extraordinary General Meeting of the Company. | Any Director may convene a Meeting |
| 67. | Subject to Section 176 of the Act, the Directors shall, on the requisition of Members holding at the date of deposit of the requisition no less than one-tenth of the total number of shares which as at the date of deposit carries the right of voting at General Meetings (excluding treasury shares) and in respect of which shares all calls and other sums due thereon have been paid, proceed to convene an Extraordinary General Meeting of the Company. In the case of such requisition, the following provisions shall have effect:<br><br>(a) the requisition shall state the objects of the Meeting to be convened, shall be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists;<br><br>(b) the Directors shall convene the Meeting as soon as practicable but in any event no later than two months after the deposit by the requisitionists of the requisition;<br><br>(c) in the event that the Directors do not within 21 days after the date of deposit of the requisition proceed to convene a Meeting, the requisitionists, or any of them representing more than half of the total voting rights of all the requisitionists, may themselves convene the Meeting; provided that the Meeting so convened by the requisitionists may not be held after the expiration of three months after the date of deposit of the requisition;<br><br>(d) a Meeting convened by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by the Directors; and<br><br>(e) a Meeting to which a special resolution is to be proposed shall be deemed not to be duly convened by the Directors if the Directors do not give such notice thereof as is required by the Act to be given in the case of special resolutions. | Convening of Meetings on requisition |

| | NOTICE OF GENERAL MEETINGS | |
|---|---|---|
| 68. | Subject to the provisions of the Act, at least fourteen days' notice in writing (exclusive both of the day on which notice is served or deemed to be served, but inclusive of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained and the Act entitled to receive such notices from the Company. Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:<br><br>(a) in the case of an Annual General Meeting, by all the Members entitled to attend and vote thereat; and<br><br>(b) in the case of an Extraordinary General Meeting, by that number or majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than ninety five per cent of the total voting rights of all the Members having a right to vote at that General Meeting. | Notice of Meetings |
| 69. | (a) Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member.<br><br>(b) In the case of an Annual General Meeting, the notice shall also specify the Meeting as such.<br><br>(c) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a special resolution or as requiring special notice, the notice shall contain a statement to that effect. | Contents of notice |
| 70. | Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:<br><br>(a) declaring dividends;<br><br>(b) reading, considering and adopting the financial statements, the Directors' statement, the Auditors' report and other documents required to be annexed to the financial statements;<br><br>(c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;<br><br>(d) appointing or re-appointing the Auditors;<br><br>(e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and<br><br>(f) fixing the remuneration of the Directors proposed to be paid under Regulation 105. | Routine Business |

| | | |
|---|---|---|
| 71. | Subject to Section 392 of the Act, the accidental omission to give notice to, or the non-receipt by any Member or other person entitled thereto, shall not invalidate a General Meeting, any act, matter or thing or ordinary or special resolution made, performed or passed at a General Meeting or any other proceedings at the General Meeting. | Accidental omission etc. shall not invalidate proceedings at General Meeting |
| | **PROCEEDINGS AT GENERAL MEETINGS** | |
| 72. | No business shall be transacted at any General Meeting unless a quorum is present at the time the Meeting proceeds to business. Save as herein otherwise provided, two Members shall form a quorum save that:<br><br>(a) in the event of a corporation being beneficially entitled to the whole of the issued shares in the capital of the Company one person representing such corporation shall be a quorum and shall be deemed to constitute a Meeting and, if applicable, the provisions of Section 179 of the Act shall apply;<br><br>(b) in the event the Company has only one Member, the Company may pass a resolution by that Member recording the resolution and signing the record in accordance with the provisions of Section 184G of the Act; and<br><br>(c) in the event of one Member being beneficially entitled to the whole of a particular class of issued shares in the capital of the Company, that person shall be a quorum and shall be deemed to constitute a meeting of that class of shareholders and the provisions of Section 179 of the Act shall with such adaptations as are necessary apply.<br><br>For the purpose of this Regulation, "Member" includes a person attending by proxy or by attorney or as representing a corporation or limited liability partnership which is a Member. | Quorum |
| 73. | If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within thirty minutes from the time appointed for holding the Meeting, the Members present and entitled to vote shall form a quorum. No notice of any such adjournment as aforesaid shall be required to be given to the Members. | Adjournment if quorum not present |
| 74. | The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting) adjourn the Meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a Meeting is adjourned for thirty days or more or *sine die*, notice of the adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting. | Adjournment by Chairman with the consent or at the direction of the Meeting |

| | | |
|---|---|---|
| 75. | Subject to the provisions of the Act and provided that Members holding no less than one-tenth of the total number of shares which carries the right of voting at General Meetings and in respect of which shares all calls and other sums due thereon have been paid do not object (in the case of which objection the Directors shall give notice requiring that a General Meeting be convened), the Members may participate in the General Meeting by means of a conference telephone or a video conference telephone or similar communications equipment by which all persons participating in the General Meeting are able to hear and be heard by all other Members without the need for a Member to be in the physical presence of another Member(s) and participation in the General Meeting in this manner shall be deemed to constitute presence in person at such Meeting. The Members participating in such General Meeting shall be counted in the quorum for such General Meeting and subject to there being a requisite quorum under these Regulations, all resolutions agreed by the Members in such General Meeting shall be deemed to be as effective as a resolution passed at a meeting in person of the Members duly convened and held. A General Meeting conducted by means of a conference telephone or a video conference telephone or similar communications equipment as aforesaid is deemed to be held at the place agreed upon by the Members attending the General Meeting, provided that at least one of the Members present at the General Meeting was at that place for the duration of the General Meeting. | General Meeting via conference telephone, video conference telephone or similar communications equipment |
| 76. | The Chairman of the Board of Directors, if any, shall preside as Chairman at every General Meeting. If there be no such Chairman or if at any Meeting he be not present within fifteen minutes after the time appointed for holding the Meeting or be unwilling to act, the Members present shall choose some Director to be Chairman of the Meeting or, if no Director be present or if all the Directors present decline to take the Chair, one of their number present, to be Chairman. | Chairman |
| 77. | If so agreed to by the requisite majority of Members required to pass an ordinary or special resolution in General Meeting, the resolution may be passed with one or more amendments as so agreed to. No such agreement shall be required to correct a mere clerical amendment or to correct a patent error in a resolution. | Amendment of resolutions |
| 78. | (a) At any General Meeting, a resolution put to the vote of the General Meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded.<br><br>(b) For purposes of ascertaining the requisite majority of votes to pass a resolution on a show of hands, only Members who vote either in favour of or against the resolution shall be counted towards the number of Members voting on the show of hands.<br><br>(c) Any Member who, though being entitled to vote, abstains from or does not vote on the resolution on a show of hands, shall not be counted towards the number of Members voting on the show of hands.<br><br>(d) If a vote cast by a proxy on a resolution on a show of hands is, in any respect, at variance with the vote on the resolution as indicated by the Member on the instrument of proxy for the Meeting (if applicable), the Chairman shall be entitled to treat the vote of the Member as a spoilt vote and not count it towards the number of Members voting on the show of hands. | Voting |

| | | | |
|---|---|---|---|
| | (e) | Unless a poll be so demanded (and the demand be not withdrawn), a declaration by the Chairman that a resolution on a show of hands has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. | |
| 79. | (a) | A poll may be demanded at a General Meeting by the Chairman or by any Member present in person or by proxy or by attorney or in the case of a corporation or limited liability partnership by representative and entitled to vote.<br><br>(b) A demand for a poll may be withdrawn.<br><br>(c) No poll shall in any event be demanded on the election of a Chairman or on a question of the adjournment of the General Meeting. | Demand for a poll |
| 80. | (a) | If a poll be duly demanded (and the demand be not withdrawn), it shall be taken in such manner (including the use of ballot or voting papers) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman may, and if so requested shall, appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll.<br><br>(b) For purposes of ascertaining the result of a poll on a resolution, only votes taken in the manner in which the Chairman directs and which are either in favour of or against the resolution, shall be taken into account by the Chairman and, if any, the scrutineers. Any Member who, though being entitled to vote on a resolution in a poll:<br><br>(i) does not cast his vote in the poll;<br><br>(ii) casts a vote which does not indicate he is either in favour of or against the resolution; or<br><br>(iii) does not cast a vote in the manner in which the Chairman directs,<br><br>shall not be counted towards the result of the poll.<br><br>(c) If a vote cast by a proxy on a resolution in a poll is, in any respect, at variance with the vote on the resolution as indicated by the Member on the instrument of proxy for the Meeting (if applicable), the Chairman shall be entitled to treat the vote of the Member as a spoilt vote and not count it towards the number of Members voting on the poll.<br><br>(d) A declaration by the Chairman on the result of a poll that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. | Taking a poll |

| | | |
|---|---|---|
| 81. | A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. | Time for taking a poll |
| 82. | The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded. | Continuance of business after demand for a poll |
| 83. | In the event that a Member being an individual is represented by a duly appointed proxy at a General Meeting duly convened and held, but is himself present in person during the Meeting, then the Chairman shall be entitled to:<br><br>(a) take into account the votes cast by the Member in accordance with Regulation 82 on a show of hands and in accordance with Regulation 84 on a poll, and count such votes towards the resolutions proposed to be passed; and<br><br>(b) have no further regard for votes purported to be cast by the proxy or attorney whether on a show or hands or on a poll, nor to any instrument of proxy given by the Member in respect of the Meeting. Voting by Member present in person at the same Meeting as his proxy or attorney | Voting by Member present in person at the same Meeting as his proxy or attorney |
| 84. | In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote. | Chairman's casting vote |
| 85. | If any votes be counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude. | Votes counted in error |
| 86. | Subject to the Act:<br><br>(a) a special resolution may be passed by written means if the resolution indicates that it is a special resolution and if it has been formally agreed to on any date, by one or more Members who on that date represent at least three-fourths of the total voting rights of all Members who on that date would have the right to vote on that resolution at a General Meeting of the Company; and<br><br>(b) an ordinary resolution is passed by written means if the resolution does not indicate that it is a special resolution and if it has been formally agreed to on any date, by one or more Members who on that date represent a majority of the total voting rights of all Members who on that date would have the right to vote on that resolution at a General Meeting of the Company.<br><br>Unless otherwise specified by the Directors, a resolution proposed to be passed by written means lapses if it is not passed before the end of the period of 28 days beginning with the date on which the written resolution is circulated to the Members. A special or ordinary resolution passed by written means may consist of several documents in the like form each signed by one or more of the Members who have the right to vote on that resolution at a General Meeting of the Company, and the requisite number of Members shall not be required to formally agree to the resolution on a single day. | Resolutions by written means |

| | | |
|---|---|---|
| 87. | Subject to Section 184A of the Act and unless otherwise specified from time to time by the Directors, the formal agreement of a Member to an ordinary or special resolution proposed to be passed by written means in accordance with Regulation 86, may be given by a proxy appointed by the Member if:<br><br>(a) together with the text of the resolution sent by the Directors to the Member, there appears with reasonable prominence a statement, whether in the same or a separate document, that the Member is entitled to appoint a proxy to formally agree to the resolution by written means in his stead and that the proxy need not be a Member;<br><br>(b) a proxy form is made available to the Member which includes the text of the resolution or otherwise makes clear the resolution that is being agreed to, and enables the Member to indicate that in the Member's stead:<br><br>(i) the proxy may indicate his agreement to the resolution to be passed on the Member's behalf, in which case the proxy shall give to the Company a document to such effect in legible form or a permitted alternative form; and/or<br><br>(ii) the agreement of the proxy to the resolution to be passed by written means on behalf of the Member, may be indicated by the proxy's signature (the authenticity of which the Company is entitled to not verify, even when having notice to the contrary); and/or<br><br>(iii) otherwise, the agreement of the proxy to the resolution to be passed by written means on behalf of the Member, may be indicated in such other manner permitted under the proxy form and agreed to thereon by the Member; and<br><br>(c) save as provided under this Regulation, the provisions of this Constitution relating to proxies shall with such adaptations as are necessary apply.<br><br>For purposes of Section 184A(5)(b) of the Act, the sending by the Directors to a Member of the text of a resolution proposed to be passed by written means, shall and shall be deemed to constitute the sending of the same to the proxy or proxies (if any) appointed by the Member. A proxy appointed by a Member under this Regulation for purposes of a resolution proposed to be passed by written means, shall not have the right to attend and vote at a General Meeting convened under Section 184D of the Act for the passing of the resolution, unless such right is expressly provided in the instrument of proxy and agreed to by the Member. | Appointment of proxies to formally agree on Member's behalf to resolutions by written means |
| 88. | A resolution by the Company to dispense with the Annual General Meeting of the Company or a resolution for which special notice is required under the Act, may not be passed by written means. | Instances where resolutions by written means may not be passed |

| | VOTES OF MEMBERS | |
|---|---|---|
| 89. | Subject to this Constitution and to any special rights or restrictions as to voting attached to any class of shares hereinafter issued, every Member entitled to vote, who is present in person or by proxy or by attorney or in the case of a corporation or limited liability partnership by representative, shall:<br><br>(a) on a show of hands, have one vote himself and (as applicable) have one vote for each Member for whom he is proxy, Provided That:<br><br>(i) in the case of a Member who is not a relevant intermediary and is represented by two proxies, only one or the two proxies as determined by the Member or, failing such determination, by the Chairman of the Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and<br><br>(ii) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands; and<br><br>(b) on a poll, have one vote for every share of which he holds or represents, and (as applicable) have one vote for every share of each Member for whom he is proxy.<br><br>For the purpose of determining the number of votes which a Member or his proxy or attorney or representative may cast at a General Meeting on a poll, the reference to shares held or represented shall, in relation to the shares of the Member, be the number of shares entered against his name in the Register of Members as at seventy two hours (or at such other shorter period as the Directors may otherwise determine) before the time of the Meeting. | Voting rights of Members |
| 90. | Where there are joint registered holders of any share any one of such persons may vote and be reckoned in a quorum at any Meeting either personally or by proxy or by attorney or in the case of a corporation or limited liability partnership by a representative as if he were solely entitled thereto and if more than one of such joint holders be so present at any Meeting then one of such persons so present whose name stands first in the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof. | Voting rights or joint holders |
| 91. | A Member who is of unsound mind or whose person or estate is liable to be dealt with in any way under the law relating to mental disorders may vote whether on a show hands or on a poll by his committee, *curator bonis* or such other person as properly has the management of his estate and any such committee, *curator bonis* or other person may vote by proxy or by attorney. Provided that such evidence as the Directors may require of the authority of the person claiming to vote shall have been deposited at the Office not less than seventy two hours (or such shorter period of time as may be specified by the Directors for the purpose) before the time appointed for holding the Meeting. | Voting rights of Member who is of unsound mind |

| | | |
|---|---|---|
| 92. | (a) Subject to the rights attached to any class of shares and the Act, every Member shall be entitled to be present, to speak on any resolution and to vote at any General Meeting, either personally or by proxy or by attorney or in the case of a corporation or limited liability partnership by a representative, and to be reckoned in a quorum in respect of shares fully paid and in respect of partly paid shares where calls are not due and unpaid.<br><br>(b) In pursuance of paragraph (a) above, no Member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or by attorney or by representative or to exercise any other right conferred by membership in relating to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remain unpaid. | Right to be present, speak, vote and be reckoned in a quorum<br><br>No right to vote unless all calls paid up |
| 93. | No objection shall be raised to the qualification of any voter except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the Meeting whose decision shall be final and conclusive. | Objections |
| 94. | On a poll votes may be given either personally or by proxy or by attorney or in the case of a corporation or limited liability partnership by its representative, and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. | Votes on a poll |
| 95. | Any corporation or limited liability partnership which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any Meeting of the Company or of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of the corporation or limited liability partnership as it could exercise if it were an individual Member and such corporation or limited liability partnership shall for the purpose of this Constitution (but subject to the Act) be deemed to be present in person at any such Meeting if a person so authorised is present thereat. | Corporation or limited liability partnership acting by representative |
| | **PROXIES** | |
| 96. | Save as otherwise provided in the Act:<br><br>(a) a Member who is not a relevant intermediary may appoint up to two proxies to attend and vote at the same General Meeting. Where a Member appoints two proxies, his appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy; and<br><br>(b) a Member who is a relevant intermediary may appoint more than two proxies in relation to a General Meeting to exercise all or any of his rights to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by the Member, which number and class of shares shall be specified in the form of proxy. | Appointment of proxies |

| | | |
|---|---|---|
| 97. | An instrument appointing a proxy shall be in writing and:<br><br>(a) in the case of an individual, shall be:<br><br>(i) signed by the appointer or by his attorney if the instrument is delivered personally or sent by post; or<br><br>(ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and<br><br>(b) in the case of a corporation or limited liability partnership, shall be:<br><br>(i) given under its common seal, executed as a deed in accordance with the Act or signed on its behalf by an attorney or a duly authorised officer of the corporation or limited liability partnership if the instrument is delivered personally or sent by post; or<br><br>(ii) authorised by that corporation or limited liability partnership through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.<br><br>The Directors may, but shall not be bound to, require evidence of the authority of any such attorney or officer. The Directors may, in their absolute discretion, approve the method and manner for an instrument appointing a proxy to be authorised and designate the procedure for authenticating an instrument appointing a proxy as contemplated under paragraphs (a)(ii) and (b)(ii) above for application to such Members or class of Members as the Directors may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), paragraph (a)(i) above and/or, as the case may be, paragraph (b)(i) above shall apply. | Execution of proxies |
| 98. | (a) An instrument appointing a proxy or the power of attorney or other authority, if any:<br><br>(i) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the Meeting; or<br><br>(ii) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the Meeting,<br><br>and in either case, not less than seventy two hours (or such shorter period of time as may be specified by the Directors for the purpose) before the time appointed for the holding of the Meeting or adjourned Meeting or (in the case of a poll taken otherwise than at or on the same day as the Meeting or adjourned Meeting) for the taking of the poll at which it is to be used, or before the time appointed (in the case of a poll taken at or on the same day as the Meeting or adjourned Meeting) for the taking of the poll at which it is to be used. In default of the foregoing provisions the instrument of proxy, power of attorney or other authority shall not be treated as valid unless the Directors otherwise determine. | Deposit of proxies |

| | | |
|---|---|---|
| | (b) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy, powers of attorney or other authority may be submitted by electronic communications, as contemplated under paragraph (a)(ii) above. Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), paragraph (a)(i) above shall apply. | |
| 99. | (a) An instrument appointing a proxy shall (save where the Directors may from time to time determine otherwise) be in the following form with such variations if any as circumstances may require:<br><br>**Memories (2022) Pte. Limited**<br>"I/We,<br>"of<br>"a member/members of the abovenamed Company<br>"hereby appoint<br>"of<br>"or whom failing<br>"of<br>"to vote for me/us and on my/our behalf<br>"at the (Annual, Extraordinary or Adjourned,<br>"as the case may be) General Meeting<br>"of the Company to be held on the day<br>"of and at every adjournment thereof.<br>"As Witness my/our hand this day of ."<br>An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the Meeting as for the Meeting to which it relates and need not be witnessed.<br><br>(b) An instrument appointing a proxy may if the Directors so determine contain the text of the resolutions proposed to be passed at a General Meeting to be convened (or otherwise make clear the resolutions that are being proposed), and the Member concerned may thereby cast his vote in favour of or against each resolution set forth therein, in which event the vote of the Member shall be counted on a show of hands or on a poll towards the number of votes cast by Members on the resolution. If for any reason no vote in favour of or against a resolution is indicated by the Member on the instrument of proxy as aforesaid, then, unless the circumstances described in Regulation 87 apply, the vote cast by the proxy in favour of or against the resolution on a show of hands or on a poll shall be counted towards the number of votes cast by Members on the resolution. | Form of proxies |
| 100. | The instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the General Meeting concerned. | Instrument of proxy deemed to include right to demand or join in poll etc |
| 101. | A proxy need not be a Member. | Proxy need not be a Member |

| | | |
|---|---|---|
| 102. | A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or by the revocation of the proxy, or of the authority under which the proxy was executed. Provided that no intimation in writing of such death, mental disorder or revocation shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) at least one hour before the commencement of the Meeting or adjourned Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used. | Intervening death or insanity of principal not to revoke proxy |

# APPENDIX 9 – SIGNIFICANT ACCOUNTING POLICIES OF FMI

The summary of significant accounting policies of FMI have been extracted from its audited financial statements for FPE2022 and are set out below. For the purpose of this Appendix 9, all references to "Company" shall refer to FMI.


No. 20-22 (C), Ma kyee Kyee Street,
Sanchaung Township, Yangon, Myanmar.
Tel : 09-450 634 581, 09-797 778 008
Fax : 01-534 160
E-mail : fcag@excellentchoicegroup.com
Web : www.excellentchoicegroup.com

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**
**(Registration No. 121398001)**

**REPORT OF THE DIRECTORS**
**AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH 31, 2022**

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1 GENERAL

First Myanmar Investment Public Co., Ltd. (the "Company") (Registration No. 121398001) is incorporated in Myanmar with its principal place of business and registered office located at The Campus 1, Office Park, Rain Tree Drive, Pun Hlaing Estate, Hlaing Thayar Township, Yangon, 11401, Myanmar.

The Company listed on the Yangon Stock Exchange Joint Venture Company Limited on March 25, 2016.

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries, joint venture and associates are disclosed in Notes 4, 12 and 13, respectively, to these consolidated financial statements.

During the current financial period, the Group has changed its financial year end from September 30 to March 31.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 BASIS OF ACCOUNTING

The consolidated financial statements have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Myanmar Companies Law ("Law") and Myanmar Financial Reporting Standards ("MFRSs"), including the modification of the requirements of Myanmar Accounting Standards 39 *Financial Instruments: Recognition and Measurement* ("MAS 39") in respect of loan loss provisioning by the Central Bank of Myanmar ("CBM") Notification No. 17/2017: *Asset Classification and Provisioning Regulations*.

The preparation of financial statements in conformity with MFRSs requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

*Impact of Covid-19*

The Covid-19 pandemic continued to have impact on local and global economies. The Group's businesses gradually recovered from a difficult operating environment during the current financial period and the country has substantially recovered from the latest surge of the omicron variant of Covid-19.

Set out below are some of the impacts of COVID-19 on the Group's financial performance reflected in this set of financial statements for the financial period ended March 31, 2022:

i. The Group had assessed the going concern basis of preparation for this set of financial statements remains appropriate.

ii. The Group has considered the market conditions (including the impact of COVID-19) as at the reporting date on the recoverability of assets as at March 31, 2022. The significant estimates and judgements applied are disclosed in Note 3.

*Adoption of new and revised accounting standards*

There have been no new/revised MFRSs and Interpretations of MFRSs issued by the Myanmar Accountancy Council during the period.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.2 BASIS OF CONSOLIDATION

(a) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another MFRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MAS 39 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.2 BASIS OF CONSOLIDATION

(b) Business combination

The acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with MAS 39 *Financial Instruments: Recognition and Measurement*, or MAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the MFRS are recognised at their fair value at the acquisition date, except that:

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in MFRS 2 *Share-based Payment* at the acquisition date: and

- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

The accounting policy for initial measurement of non-controlling interests is described above.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.2 BASIS OF CONSOLIDATION

(c) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. 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.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Under the equity method, the investment in an associate is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the profit or loss of the associate after the date of acquisition. The Group's share of the received from an associate reduce the carrying amount of the investment. Adjustments to carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's other comprehensive income. Such changes include those arising from the revaluation of property, plant and equipment and from foreign exchange translation differences. The Group's share of those changes is recognised in other comprehensive income of the Group. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

(d) Joint venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

Where a Group entity undertakes its activities under joint venture arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other venturers are recognized in the financial statements of the relevant entity and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint venture expenses, are recognized when it is probable that the economic benefits associated with the transactions will flow to/from the Group and their amount can be measured reliably.

Joint venture arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as jointly controlled entities. The Group reports its interests in jointly controlled entities using the equity method, except when the investment is classified as held for sale, in which case it is accounted for under MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Any goodwill arising on the acquisition of the Group's interest in a jointly controlled entity is accounted for in accordance with the Group's accounting policy for goodwill arising on the acquisition of a subsidiary.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.3 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognized on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

*Effective interest method*

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognized on an effective interest basis for debt instruments.

(a) Financial assets

All financial assets are recognized and de-recognized on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value.

(i) Classification

Financial assets are classified into following categories: 'loans and receivables', 'held-to-maturity investments', 'available-for-sale financial assets' and 'financial assets at fair value through profit or loss' ("FVTPL"). The classification depends on the nature and the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the year end which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables", "loans and advances to customers, by the bank subsidiary" and "cash and cash equivalents" in the statement of financial position. Loans and receivables are measured at amortized cost using the effective interest method less impairment. Interest is recognized by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

*Held-to-maturity financial assets*

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are reported in the statement of financial position as "government and other securities, by the bank subsidiary".

*Available-for-sale financial assets (AFS financial assets)*

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL. They are presented as non-current unless the investment matures, or management intends to dispose of the assets within 12 months after the end of the reporting period. AFS financial assets are subsequently carried at fair value if the fair value can be reliably estimated using valuation techniques supported by observable market data, otherwise, those assets are carried at cost less impairment loss.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3 FINANCIAL INSTRUMENTS

(a) Financial assets

(i) Classification

*Available-for-sale financial assets (AFS financial assets)*

Changes in the fair values of AFS equity securities (i.e. non-monetary items) are recognised in other comprehensive income and accumulated in the investment revaluation reserve, together with the related currency translation differences.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

*Financial assets at FVTPL*

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Bank manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Bank's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and MAS 39 permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset.

(ii) Impairment

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

For AFS equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3 FINANCIAL INSTRUMENTS

(a) Financial assets

(ii) Impairment

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it is becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss. With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of AFS equity instruments, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognized in other comprehensive income.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3 FINANCIAL INSTRUMENTS

(a) Financial assets

(ii) Impairment

*Specific provision on loans and advances*

The bank subsidiary reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the profit or loss. In accordance with the new CBM notification No. 17/2017, *Asset Classification and Provisioning* dated July 7, 2017, the bank subsidiary determines the impairment loss for loans and advances as follows:

| Days past due | Classification | Provision on shortfall in security value |
|---|---|---|
| 30 days past due | Standard | 0% |
| 31 – 60 days past due | Watch | 5% |
| 61 – 90 days past due | Substandard | 25% |
| 91 – 180 days past due | Doubtful | 50% |
| Over 180 days past due | Loss | 100% |

The above is only a minimum requirement and management may provide additional provision over and above the minimum requirement.

Effective from October 3, 2019, the bank subsidiary adopted a stricter provision policy for Digital Credit loans due to the fact that these are unsecured credits. Accordingly, the provision rate applied for Digital Credit loans are as follows:

| Days past due | Classification | Provision on shortfall in security value |
|---|---|---|
| 1 to 30 days past due | Standard | 10% |
| 31 to 60 days past due | Watch | 25% |
| 61 to 90 days past due | Substandard | 50% |
| 91 to 180 days past due | Doubtful | 100% |
| Over 180 days past due | Loss | 100% |

*Specific provision for restructured loan portfolios*

The bank subsidiary has launched 'Customer Assist Program' for all performing loans which are less than 90 days past due upon borrower's application basis. Only borrowers with outstanding exposures less than 90 days past due will be eligible for this program. Borrowers under this program will be offered either principal repayment reduction ("principal reduced"), suspension of principal repayment while only serving interest ("principle paused") or suspension of principal and interest repayment for a period of time till December 31, 2021 ("principal and interest paused"). By using all available information and customers' behaviour from past relief programs, the bank subsidiary has performed the meticulous assessment to determine additional provision required on borrowers under the 'Customer Assist Program' due to the uncertainty brought about by the current political situation in Myanmar.

Additionally, the bank subsidiary has assessed the credit standing of large individual exposures individually by taking into account of their current business condition and potential recovery to appropriately recognize impairment and provisioning for these accounts.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3 FINANCIAL INSTRUMENTS

(a) Financial assets

(ii) Impairment

*Specific provision for restructured loan portfolios*

Accordingly, management has applied the following provision rates for financial assets under the program. The provision rates applied for financial assets which are 1 to 30 days past due and 31 to 60 days past due are higher than the provision rates stipulated by CBM notification No. 17/2017, *Asset Classification and Provisioning*; while the provision rates applied for financial assets which are 61 to 90 days past due, 91 to 180 days past due and over 180 days past due remain the same as per CBM.

| | | Provision on shortfall in security value | | |
|---|---|---|---|---|
| **Days past due** | **Classification** | **Principle reduced** | **Principle paused** | **Principal and Interest paused** |
| Current | Current | 5% | 10% | 25% |
| 1 to 30 days past due | Standard | 5% | 10% | 25% |
| 31 to 60 days past due | Watch | 5% | 10% | 25% |

*General provision on loans and advances*

Pursuant to CBM Notification No. 17/2017, *Asset Classification and Provisioning Regulations* and Letter No.2621/ Ka Ka (1)/3/507/2018-2019 dated May 10, 2019, the bank subsidiary is required to maintain a general loan loss reserve equivalent to 2% of the total outstanding loans and advances with a corresponding charge to profit or loss.

(iii) Derecognition of financial asset

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(iv) Write-off

Financial assets written off are charged to specific provision when the bank subsidiary has no reasonable expectation of recovering the asset. Subsequent recoveries are recognised in profit or loss. Financial assets written off may still be subject to enforcement activities under the bank subsidiary's recovery procedures, taking into account legal advice where appropriate.

(b) Financial liabilities and equity instruments

(i) Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.3 FINANCIAL INSTRUMENTS

(b) Financial liabilities and equity instruments

(i) Classification as debt or equity

*Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

*Financial liabilities*

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing borrowings are initially measured at their fair values and subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

(ii) Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

### 2.4 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at cost, less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Costs of a self-constructed asset include material costs, labour costs and other direct costs used in the construction of the asset. Other costs such as start-up costs, administration and other general overhead costs, advertising and training costs are excluded and expensed as incurred. Cost also includes borrowing costs (refer to Note on borrowing costs).

Depreciation is charged so as to write off the cost of assets, other than assets under construction, over their estimated useful lives, using the straight-line method, on the following bases:

| | | |
|---|---|---|
| Land and building | 20 – 67 | years |
| Rehabilitation cost | 8 | years |
| Renovation, furniture and office equipment | 3 – 30 | years |
| Facilities and infrastructure system | 10 – 20 | years |
| Machinery and equipment | 5 – 12 | years |
| Motor vehicles | 5 – 8 | years |
| IT and computers | 3 – 5 | years |

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The effects of any revision are recognized in profit or loss when the changes arise.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.4 PROPERTY, PLANT AND EQUIPMENT

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

Assets-under-construction included in property, plant and equipment is not depreciated as these assets are not available for use. These are carried at cost, less any recognized impairment loss. Depreciation for the assets, on the same basis as other assets, commences when the assets are ready for their intended use.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

### 2.5 GOODWILL

Goodwill arising in a business combination is recognized as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 2.6 INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION EXCLUDING GOODWILL

Intangible assets acquired in a business combination are identified and recognized separately from goodwill, where they satisfy the definition of an intangible asset and their fair value can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.6 INTANGIBLE ASSETS ACQUIRED IN A BUSINESS COMBINATION EXCLUDING GOODWILL

The amortization periods for the intangible assets are as follows:

| | | |
|---|---|---|
| Computer software | 5 | years |
| License | 10 | years |

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets acquired separately.

### 2.7 INVESTMENT PROPERTIES

Investment properties include those portions of office buildings that are held for long-term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a presently in determinate use.

These investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs.

An investment property is derecognized on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognized in profit or loss in the period in which the items is derecognized.

### 2.8 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.8 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS EXCLUDING GOODWILL

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

### 2.9 INVENTORIES

Inventories consist of medicines and consumables which are purchased for the purpose of sale in the ordinary course of business. Inventories are carried at the lower of cost and net realizable value. Cost is determined using the weighted average basis and comprises of cost of purchase and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. The amount of any write-down of inventories to net realizable value shall be recognized as an expense in the period the write-down occurs.

### 2.10 PROVISIONS

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 2.11 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### 2.12 REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sales comprise the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the activities of the Group. Sales are presented net of commercial tax, rebates and discounts, and after eliminating sales within the Group.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.12 REVENUE RECOGNITION

The Group recognizes revenue when the amount of revenue and its related cost can be reliably measured, when it is reasonably assured that the related receivables are collectable, and when the specific criteria for each of the Group's activities are met as follows:

*Rendering of services – Financial services and healthcare services*

Revenue from rendering of services is recognized in the period in which the services are rendered.

*Dividend income*

Dividend income is recognized when the right to receive payment is established.

*Interest income*

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

*Rental income*

The Group's policy for recognition of revenue from operating leases is described below.

### 2.13 LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

*The Group as lessor*

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income.

*The Group as lessee*

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### 2.14 INCOME TAX

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period/year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.14 INCOME TAX

Deferred tax is recognized on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realized based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax is recognized as an expense in profit or loss.

### 2.15 EMPLOYEE RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

### 2.16 FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in Myanmar Kyat (MMK), which is the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognized in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Myanmar Kyats using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used.

### 2.17 CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS

Cash and cash equivalents in the statement of cash flows comprise of cash on hand, cash at bank and demand deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**FIRST MYANMAR INVESTMENT PUBLIC CO., LTD.**
**AND ITS SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**
**FOR THE FINANCIAL PERIOD FROM OCTOBER 1, 2021 TO MARCH, 31, 2022**

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.18 EARNINGS PER SHARE

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is calculated by adjusting profit or loss attributable to ordinary shareholders of the Company and the weighted average number of shares outstanding for the effects of all dilutive potential ordinary shares.

### 2.19 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the Management Team whose members are responsible for allocating resources and assessing performance of the operating segments.

## 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Group's accounting policies

Management is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the consolidated financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.