



ONGOING INVESTIGATIONS ON MISAPPROPRIATION OF MONIES AT A MYANMAR SUBSIDIARY

The Board of Directors of Memories Group Limited (the “**Company**”) and its subsidiaries (the “**Group**”) wish to inform shareholders of the Company (the “**Shareholders**”) that the Group has discovered a case of fraud at its wholly-owned Myanmar subsidiary, Asia Holidays Travels & Tours Company Limited (“**AHTT**”). As at the date of this announcement, it was uncovered that an aggregate amount of approximately US\$500,000 was misappropriated from the accounts by three employees involved in the AHTT business. As investigations are still ongoing, the Company will provide an update on the total amount misappropriated once the investigations have concluded.

The Company came into knowledge of this case when the Finance Manager responsible for AHTT conducted checks in February 2020 as part of its existing internal control procedures in accordance with the Company’s internal controls guidelines.

Since the discovery of the misappropriation up to the date of this announcement, the following actions have been taken by the Company:

- (a) the employees concerned were immediately dismissed;
- (b) a police report has been lodged and the case is under investigation by the police in Myanmar, the suspects are currently held in custody and likely to be charged in court;
- (c) the Group commissioned a forensic audit and deployed the Group’s Risk Management and Internal Audit team to carry out further investigations on the accounts of the subsidiary concerned during the subsidiary’s peak operating periods of May 2019 and September 2019 to January 2020 and concluded that whilst overall internal control procedures were in place, they could be further strengthened; and
- (d) internal controls of AHTT have been reviewed by the Group’s Risk Management and Internal Audit team and the Audit and Risk Management Committee and measures are being taken to continuously strengthen these controls especially in the area of accounts payable.

The Company is actively pursuing the legal recourse to recover the misappropriated monies which will entail a civil lawsuit to be filed. Investigations are on-going to determine the full duration of the fraud and the total amounts misappropriated.

Any impact of this misappropriation will be reflected in the financial statements of the Group for the period ending 30 September 2020. The Company will update Shareholders by way of further announcement(s) as and when there are material development(s) and as appropriate.

BY ORDER OF THE BOARD

Cyrus Pun
Chief Executive Officer

15 April 2020





This announcement has been prepared by the Memories Group Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor”) in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, and E-mail: sponsorship@ppcf.com.sg).

