



BUSINESS UPDATES AND PROFIT GUIDANCE

The Board of Directors (the “**Board**”) of Memories Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to provide an update to shareholders on the following matters:

1. IMPACT OF COVID-19 OUTBREAK

With the evolving nature of the Covid-19 outbreak situation extended travel restrictions and curfews were being imposed by the government authorities of Myanmar since March 2020. Such restrictions include the suspension of issuance of all types of visa to all foreign nationals until further notice. Consequently, all business segments (i.e. Experiences, Hotels and Services) have been negatively impacted by the decline of international tourist arrivals in Myanmar. The Covid-19 outbreak situation has been gradually easing since the beginning of June 2020. However, a second wave of Covid-19 outbreak began to spread since the end of August 2020. On 21 September 2020, the government authorities of Myanmar imposed a Yangon Regional Lockdown with stay-at-home orders, effective until further notice.

As of the date of this update, three of the Group’s five hotels are temporarily closed due to Covid-19 related travel restrictions. The fourth hotel, being Awei Pila, is currently closed due to the monsoon season which is typical for this time of the year. However, the post-monsoon re-opening which was originally planned for end of October has been postponed till mid-November, pending the relaxation of the government’s travel restrictions. The Group’s fifth hotel, Awei Metta, is continuing its operations to serve several long-stay guests and other customers. Like Awei Pila, the recommencement of Balloon Over Bagan’s and Burma Boating’s season are deferred until mid-November. Since international commercial flights have been restricted indefinitely, the Group’s focus has been shifted to marketing to domestic travel for this coming season.

The Company will continue to monitor the Covid-19 outbreak situation and make the appropriate announcement as and when there are material developments.

2. PROFIT GUIDANCE FOR 18 MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

The Group expects to report an overall operating loss for its unaudited financial results for the 18 months financial period ended 30 September 2020 (“**FP 2020**”) as its revenue has been severely impacted by the Covid-19 outbreak. The Group also suffered a large exchange loss due to the strengthening of the Kyats against the United States Dollars.

The Group is in the process of finalizing the Group’s unaudited financial results for FP2020 and the foregoing profit guidance is a preliminary assessment by the Board based on the information currently available. Further details of the Group’s financial performance for FP 2020 will be disclosed when the Company announces its unaudited consolidated financial statements for FP 2020 before end of November 2020.

BY ORDER OF THE BOARD

Cyrus Pun
Chief Executive Officer

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This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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