VARIANCE BETWEEN THE AUDITED FINANCIAL STATEMENTS AND UNAUDITED FINANCIAL STATEMENTS FOR THE EIGHTEEN-MONTHS FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020

The Board of Directors (the "**Board**") of Memories Group Limited d (the "**Company**" and together with its subsidiaries, the "**Group**") refers to its unaudited financial results announcement for the financial period ended 30 September 2020 ("**FP2020**") announced on 27 November 2020 (the "**Announcement**").

Pursuant to Rule 704(5) of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") (the "**Catalist Rules**"), the Board wishes to announce the material variances between the audited financial statements of the Group for FP2020 (the "**Audited Results**") and the Announcement.

The variances between the Audited Results and the Announcement, and the explanations thereon, are set out as follows:

Consolidated Statement of Comprehensive Income for the financial period ended 30 September 2020

There is no material variance on the loss between Audited Result and Announcement for FP2020.

Consolidated statement of Financial Position as at 30 September 2020

	Per Announcement US$'000	Per Audited Results US$'000	Change US$'000	% change	Notes
Non-current assets					
Property, plant and equipment	48,424	49,814	1,390	3%	1
Investment properties	18,740	17,350	(1,390)	-7%	1
Current liabilities					
Trade and other payables	12,866	13,403	537	4%	2
Borrowings	1,260	3,051	1,791	142%	3, 4
Lease liabilities	355	-	(355)	-100%	3
Current income tax liabilities	971	394	(577)	-59%	2
Non-current liabilities					
Borrowings	29,753	29,927	174	1%	3, 4
Other payables	250	-	(250)	-100%	5
Lease liabilities	1,291	-	(1,291)	-100%	3, 4
Convertible bonds	3,124	3,374	250	8%	5
Net assets	25,189	24,911	(278)	-1%	6

Notes:

(1) Reclassification of right-of-use assets related to property, plant and equipment from investment properties.
(2) Reclassification mainly related to commercial tax payable from current income tax liabilities to trade and other payables.
(3) Grouping of lease liabilities as part of borrowings.
(4) Reclassification of current portion of borrowings from non-current liabilities to current liabilities.
(5) Reclassification of interest accrual on convertible bonds from other payables to convertible bonds.
(6) The net impact of above reclassifications and audit adjustments for unrecorded liabilities noted subsequent to the release of the Announcement is US$ 278,000.

Consolidated statement of Cash Flows for the financial period ended 30 September 2020

	Per Announcement US$'000	Per Audited Results US$'000	Cashflow Impact US$'000	% change	Notes
Net cash used in operating activities	(5,174)	(4,390)	784	15%	7, 8
Net cash used in investing activities	(3,104)	(3,334)	(230)	-7%	7
Net cash provided by financing activities	6,427	5,873	(554)	-9%	8
Cash and cash equivalents at the end of financial period	406	406	-	-	-

Notes:

(7) Reclassification of payments of contractors and retention payables relating to capital expenditure from operating activities to investing activities. Payments to contractors and retention payables relating to development of facilities in Awei Metta, Awei Pila and Hotel Suggati Mawlamyaing (Hotels Segment) are presented as changes in working capital in the Announcement.
(8) Reclassification of payments on lease liabilities from operating activities to financing activities. With the adoption of the *SFRS(I) 16 Leases*, amounts relating to the repayment of both principal and interest portion of the lease liability are reclassified as financing activities.

For more details on the financial results of the Company for FP2020, please refer to the Company's audited financial statements which will be issued together with its annual report in due course.

BY ORDER OF THE BOARD

Cyrus Pun
Chief Executive Officer
12 January 2021

This announcement has been reviewed by the Company's sponsor, Prime Partners 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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