



VARIANCE BETWEEN THE AUDITED FINANCIAL STATEMENTS AND UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

INTRODUCTION

Reference is made to the Company's announcement on 28 May 2019 relating to its Unaudited Financial Statements for the Quarter and Financial Year Ended 31 March 2019 (the "**Unaudited Full Year Financial Statements**").

ADJUSTMENTS AS A RESULT OF COMPLETION OF PURCHASE PRICE ALLOCATION EXERCISE

It was disclosed in the Unaudited Full Year Financial Statements that the gain on bargain purchase of approximately US\$8,067,000 in relation to the acquisition of SM Asset Holdings Pte. Ltd. which holds Awei Pila island was determined provisionally based on the preliminary purchase price allocation report (the "**SM PPA**"). It was derived due to the lower fair value of purchase consideration paid for the said acquisition compared to the fair value of the net identifiable assets of SM Asset Holdings Pte. Ltd. acquired by the Company. This is a non-recurring non-operating income.

The Company has now completed the SM PPA exercise and the provisional gain on bargain purchase relating to the acquisition of SM Asset Holdings Pte. Ltd. has been adjusted by approximately US\$394,000 to US\$7,673,000 (instead of US\$8,067,000), with a corresponding upward adjustment of approximately US\$114,000 in depreciation cost. Therefore, the audited profit (before income tax) for the financial year ended 31 March 2019 should be US\$2,008,000 instead of US\$2,347,000 as announced in the Unaudited Full Year Financial Statements.

RE-CLASSIFICATION IN STATEMENT OF CASH FLOW

It was disclosed in the Unaudited Full Year Financial Statements that the net cash used in operating activities was US\$7,143,000. However, US\$3,316,000 of this US\$7,143,000 related to additions to property, plant and equipment under investing activities was inadvertently included as unrealised currency translation gains under cash flows from operating activities in the Unaudited Full Year Financial Statements. Accordingly, the net cash used in operating activities would reduce to US\$3,827,000 while the additions to property, plant and equipment under investing activities would increase to US\$8,211,000 in the audited full year financial statements.

The above changes do not impact the statement of financial position (for the Company and the group) as at 31 March 2019.

For more details on the financial results of the Company for the financial year ended 31 March 2019, please refer to the Company's audited financial statements which will be issued on or about 8 July 2019 together with its annual report.

BY ORDER OF THE BOARD

Cyrus Pun
Chief Executive Officer and Executive Director
27 June 2019

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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).

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