



Memories
GROUP



ANNUAL 2021
REPORT

ENHANCING
Strengths
ENTRENCHING
Resilience



Table of Contents

02 Corporate Profile

04 Business Segments

12 Chairman and CEO Message

14 Board of Directors

18 Key Personnel

20 Corporate Structure

21 Financial Highlights

22 Operational Review

24 Sustainability at Memories Group

30 Financial Contents

31 Corporate Governance Report

143 Statistics of Shareholdings

146 Notice of Annual General Meeting

151 Additional Information
on Directors Seeking Re-election

This Annual Report 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 "SGX-ST") and the SGX-ST 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.

The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg

CORPORATE *Profile*

Memories Group Limited (“Company”, or collectively with its subsidiaries, “Memories Group” or “Group”) was listed on the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 5 January 2018. Memories Group operates an “Integrated Tourism Platform” in Myanmar comprising Hotels segment, Experiences segment and Services segment, enabling a seamless, one-of-a-kind experience aimed at creating lasting memories for its customers. Memories Group sets its sights on being Myanmar’s leading tourism company by providing an unparalleled customer experience, backed by best-in-class operational excellence in all sectors that it operates.

Memories Group is affiliated with Yoma Strategic Holdings Ltd. (“Yoma Strategic”) and First Myanmar Investment Public Company Limited (“FMI”), two publicly-listed conglomerates with a long track record in Myanmar. These affiliations allow Memories Group access to unique local opportunities and networks, on top of its own growing presence with local customers. Yoma Strategic was listed on the Mainboard of the SGX-ST in 2006, while FMI was the first company to be listed on the Yangon Stock Exchange (“YSX”) in 2016.



MISSION

TO BE THE FIRST CHOICE IN CREATING WARM AND GENUINE MEMORIES OF MYANMAR AND BEYOND.



VISION

TO BECOME THE LEADING TOURISM COMPANY IN MYANMAR IN TERMS OF DIVERSITY IN GEOGRAPHICAL REACH, INNOVATION IN PRODUCTS AND CUSTOMER EXPERIENCE, AND TO ACHIEVE THIS IN A SUSTAINABLE AND SOCIALLY RESPONSIBLE WAY.

MYANMAR WITH *Memories Group*

Memories Group's Integrated Tourism Platform offers a range of quality products and services under a cohesive brand overseen by an internationally experienced team comprising both expatriates and Myanmar nationals.

Memories Group has a strong international network and brand recognition through its well-established international sales and representative channels. It also owns Balloons Over Bagan and Burma Boating, which are popular brands in the international market.

HOTELS



AWEI-METTA
YANGON
Memories
GROUP



AWEI-PILA
MERGUI ARCHIPELAGO
Memories
GROUP



HOTEL SUGGATI
MAWLAMYAING
Memories
GROUP



LOIKAW
Keinnara
Memories
GROUP



HPA-AN
Keinnara
Memories
GROUP

EXPERIENCES



**BALLOONS
OVER BAGAN**
Memories
GROUP



**BALLOONS
OVER INLE**
Memories
GROUP



BURMA BOATING
Ultimate Archipelago Adventures

SERVICES



Memories Travel
Myanmar
Memories
GROUP



KAREE
Memories
GROUP

BUSINESS SEGMENTS

Hotels



THE AWEI COLLECTION

The Awei Collection features Awei Metta and Awei Pila – both luxurious boutique resorts that offer unique, authentic experiences and focus on catering to each customer’s bespoke needs and curating activities for those who seek more than relaxation.

AWEI METTA

Opened in 2019, Awei Metta is a chic, urban golf resort that hosts a world-class 18-hole golf course. Located within the premier Pun Hlaing Estate in Hlaing Thayar Township, Yangon, this two-acre resort features 46 modern rooms all with golf course views, a custom cigar bar and a ballroom that can accommodate up to 200 seated guests. The hotel is home to the flagship “Oscar”, a chic, urban restaurant offering French cuisine with a modern twist.

AWEI PILA

As the only resort on the exotic Pila Island in the Mergui Archipelago, Awei Pila gives guests access to one of the last unspoiled island utopias in Asia.

Surrounded by a lush forest with views of the Andaman Sea, Awei Pila hosts 24 beachfront villas, an alfresco restaurant, a bar and spa services. The resort organises trekking expeditions, cooking classes, cruises to explore the vast sea, water activities and scuba diving.

The Awei Pila Dive Centre also provides Professional Association of Diving Instructors (PADI) scuba certification courses and guides to spectacular dive sites, giving guests an unforgettable glimpse of life underwater.

Experience Incredible Myanmar Hospitality Amidst Modern Comforts



THE KEINNARA COLLECTION

The Keinnara Collection includes Keinnara Hpa-An and Keinnara Loikaw, a selection of eco-lodges showcasing the best of responsible tourism that respects its environment, its people and its cultures.



KEINNARA LOIKAW

Keinnara Loikaw is a 26-key eco-lodge set in a lush garden sanctuary, providing guests with a chance to reconnect with nature and authentic cultural experiences. Modern facilities include a swimming pool, a restaurant, a bar and a function hall.

With its pristine nature, lush landscapes, enchanting lakes and streams, scenic hikes and off the beaten track experiences, Loikaw is a destination for tourists.



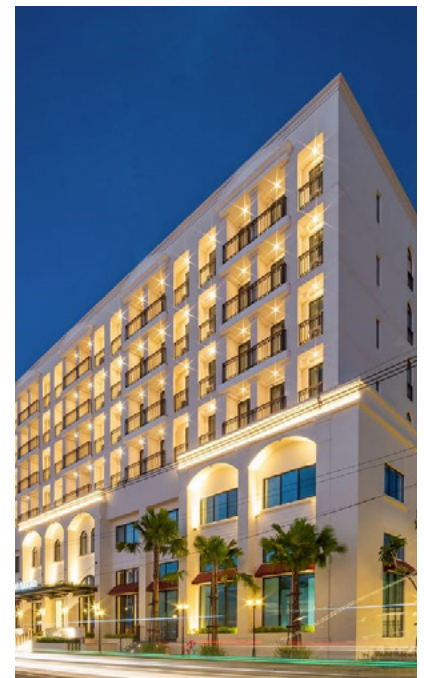
KEINNARA HPA-AN

Keinnara Hpa-An is a 19-cottage rustic eco-boutique lodge that is nestled at the foot of Mount Zwegabin in Hpa-An Township, Kayin State. The private cottages provide panoramic views of Mount Zwe Kabin from the balcony.

The property is fully equipped with modern facilities to provide guests with a comfortable stay. Activities such as hill trekking, visiting villages, sunset cruises on the Than Lwin River or picnic lunches in a traditional Karen house are available to guests.

THE SUGGATI COLLECTION

The Suggati Collection provides a vibrant yet professional environment in which business travellers can enjoy affordable comfort alongside modern business amenities.



HOTEL SUGGATI MAWLAMYAING

Opened in 2019, Hotel Suggati Mawlamyaing is a 72-room urban hotel that brings new vitality to the hotel scene in Mawlamyaing, Myanmar's fourth largest city. Strategically located, the five-storey hotel overlooks the scenic Than Lwin River and caters for business travellers with its meeting amenities.

BUSINESS SEGMENTS

Experiences



BALLOONS OVER BAGAN & BALLOONS OVER INLE

Long considered an iconic Myanmar tourism experience, Balloons Over Bagan's famous burgundy balloons have been offering tourists a unique perspective on Myanmar and its people for the past 21 years. With 14 balloons flying over Bagan and Inle, Balloons Over Bagan is the largest commercial hot-air balloon operator in Myanmar.

Floating over Bagan's thousands of pagodas, temples and stupas at sunrise, Balloons Over Bagan has been offering one of Myanmar's most famous tourism experiences since 1999. Similarly, Balloons Over Inle provides daily early morning flights over Inle Lake, with views of the breath-taking Shan Yoma mountains and surrounding countryside from the enchanting platform of a hot-air balloon basket.

The balloons fly between October and April each year when the weather is calm and dry. Tourists can pick between a "Classic" sixteen-passenger, a "Premium" eight-passenger and a private "Charter" experience. All equipment is manufactured in the UK. All pilots and technicians are UK-licensed pilots and public transport inspectors.

Discover Myanmar's Enchanting Beauty



BURMA BOATING

Burma Boating creates sensational sailing expeditions in southern Myanmar, providing the ultimate way to explore the many uncharted islands of the Mergui Archipelago. It owns and operates the 85-foot, four-cabin Meta IV yacht and has partnership arrangements with several other yachts to offer a wide range of charter options, including private charter.

With 800 pristine islands, the Mergui Archipelago is considered one of the planet's last unspoiled tourist destinations. Its rich marine life and biodiversity present an opportunity for travellers to encounter rare marine species such as the whale shark and dugong, amidst the vivid beauty of coral reefs.

Visitors typically spend up to a week exploring the islands, basking under the sun and cooling off in the clear blue waters of the Andaman Sea.

The Burma Boating brand has been rated 'excellent' on TripAdvisor by many explorers and has been featured in renowned travel magazines and publications such as National Geographic Traveller, Travel+Leisure, Condé Nast Traveller and DestinAsian.



BUSINESS SEGMENTS

Services



MEMORIES TRAVEL

Memories Group's Services segment comprises curated events, travel and destination management. It creates itineraries to explore new locations in regions previously unfamiliar to international travellers. Memories Travel provides full-scale and personalised tour services including designing and organising fully customised itineraries and tour packages for agencies and individuals, as well as customising unique excursions, activities and cultural experiences for travellers. With in-depth knowledge of the local landscape and global experience in hospitality, Memories Travel is committed to ensuring that every detail of an itinerary, from transportation logistics, cultural experiences to recreational activities, is handled with care and attention so that its customers can fully immerse themselves and truly experience the Burmese way of life.

A sub-brand of Memories Travel, inspired by the Myanmar word (Kha Yee: noun- travel, trip, journey), 'Karee', specialises and delivers bespoke reimagined Business to Business Travel and Events experiences in Myanmar. Karee is a full-service travel and events solutions provider that specialises in imaginative experiences. Lead by a team of travel and events professionals, Karee is committed to push boundaries to provide a personalised feel in its services and deliver unparalleled local touch.

Captivate Hearts Create Memories



MEMORIES F&B MANAGEMENT

Memories Group has also ventured into new food and beverage (“F&B”) outlets and restaurant management services, overseen by its F&B management team. Memories Group sees notable synergies in customer base and operating cost between these new F&B outlets and Memories Group’s existing and future F&B operations.



MYANMAR



BAGAN

INLE LAKE



LOIKAW

YANGON

HPA-AN



MAWLAMYAING



MERGUI ARCHIPELAGO

CORPORATE *Information*

BOARD OF DIRECTORS

MR. SERGE PUN @ THEIM WAI
(EXECUTIVE CHAIRMAN)

MR. PUN CHI YAM CYRUS
(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
(NON-EXECUTIVE INDEPENDENT DIRECTOR)

MR. VINCENT CHAN CHUN HUNG
(NON-EXECUTIVE NON-INDEPENDENT DIRECTOR)

AUDIT AND RISK MANAGEMENT COMMITTEE

MR. BASIL CHAN (CHAIRMAN)
MR. TUN TUN
MR. ROBIN LEE CHYE BENG

NOMINATING COMMITTEE

MR. BASIL CHAN (CHAIRMAN)
MR. ROBIN LEE CHYE BENG
MR. SERGE PUN @ THEIM WAI

REMUNERATION COMMITTEE

MR. ROBIN LEE CHYE BENG (CHAIRMAN)
MR. BASIL CHAN

COMPANY SECRETARIES

MS. LOO HWEE FANG
MS. LEE PIH PENG

COMPANY REGISTRATION NUMBER

201201631D

REGISTERED OFFICE

63 Mohamed Sultan Road
#02-14 Sultan-Link
Singapore 239002
Tel : (65) 6223 2262
Fax : (65) 6223 1990
www.memoriesgroup.com

REGISTRAR AND SHARE TRANSFER OFFICE

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544
Tel : (65) 6593 4848
Fax : (65) 6593 4847

INDEPENDENT AUDITOR

Nexia TS Public Accounting Corporation
80 Robinson Road
#25-00
Singapore 068898

MR. LOH JI KIN

DIRECTOR-IN-CHARGE

(Appointed with effect from financial year ended 30 September 2021)

PRINCIPAL BANKER OF MEMORIES GROUP

DBS Bank Ltd
12 Marina Boulevard
Level 3, Marina Bay
Financial Centre Tower 3
Singapore 018982

CHAIRMAN & CEO

Message



MR. SERGE PUN @ THEIM WAI
EXECUTIVE CHAIRMAN

DEAR SHAREHOLDERS,

Nearly two years after the pandemic flipped the world upside down, the global tourism industry continues to reel from the impact of depressed international travel. Though much progress has been made in making safe international travel a possibility again, we are aware that the travel crisis is far from over. Recovery in global tourism continues to be haphazard at best.

This year has posed challenges of monumental magnitudes for tourism in Myanmar with many companies in the tourism and hospitality sector either failing or struggling to survive. It has been an incredibly tough year and weathering this storm has taken a huge amount of collective effort and sacrifice from the entire Memories Group team.

We are extremely grateful to all our staff; many have gone above and beyond their call of duty and responsibilities to help ensure the survival of Memories Group during the very tough months of lock downs and uncertainties. The spirit of our staff has been instrumental in us rising to the challenge. We are also extremely thankful to our loyal customers, who have turned up and continued to support our efforts to keep the tourism and hospitality sector running.

It is without a doubt that it will continue to be a roller coaster ride for businesses in Myanmar, especially the tourism and hospitality sector. However, we are beginning to see signs of recovery in global tourism with an uplift in demand driven by increase traveler confidence amid rapid progress on vaccinations and the easing of entry restrictions in many destinations. Still, the pace of recovery remains uneven across the global regions largely due to the varying degrees of mobility restrictions, vaccination rates and traveler confidence.

In Myanmar, a combination of border closure resulting from the second and third wave of Covid-19 pandemic and domestic political uncertainty has made it extremely challenging for the country's tourism and hospitality sector. At Memories Group, we continue to channel our efforts to domestic travel, and all efforts have been directed at providing hospitality services to customers within Myanmar who have new needs given the new circumstances that we all learn to adapt to.

We have launched marketing campaigns, and promotional deals to give our customers the opportunity to rest and relax within Yangon. We have also partnered with international and local

We are extremely grateful to all our staff; many have gone above and beyond their call of duty and responsibilities to help ensure the survival of the Group during the very tough months of lock downs and uncertainties.

”

brands in health, wellness and culinary to expand our service offerings at our hotels and F&B outlets. We have been providing hotel reopening and seasonal promotions targeting domestic market.

Conditions in some areas outside of Yangon have made it unviable to operate many of our businesses for large parts of last year, but a positive note is that the only hotel that maintained its operation is doing relatively sound. Awei Metta, our flagship hotel in Yangon, continued to receive long-stay visitors as well as weekend staycation guests. We have created getaway special treats for newly wed couples, and to those who want to escape for the day to enjoy the beauty and calm of Pun Hlaing Estate.

The safe resumption of international tourism will continue to largely depend on a coordinated response among countries in terms of travel restrictions, harmonised safety and hygiene protocols and effective communication to help restore traveler confidence, particularly at a moment where cases are surging in some regions.

The business environment in Myanmar will continue to be tough, but we are confident that domestic tourism will come back strong. There continues to be a pent-up demand for travel and we are ready for when the doors are reopened to tourism.

Tourism is an important sector for Myanmar and the country is seeking the return of foreign tourists in 2022. The industry contributed about 6% of Myanmar's gross domestic product in 2019 before the pandemic, according to the World Travel & Tourism Council.¹

Our investors and shareholders have also continued to show their support and trust during this difficult and challenging period. We have faith in the future and see the current crisis as a test of resilience and grit.

We are encouraged by everyone's efforts and we believe we will overcome this storm together and come out stronger.



MR. CYRUS PUN
CHIEF EXECUTIVE OFFICER AND
EXECUTIVE DIRECTOR

¹ <https://wtcc.org/>

BOARD OF *Directors*



MR. SERGE PUN @ THEIM WAI
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
NON-EXECUTIVE INDEPENDENT
DIRECTOR



MR. VINCENT CHAN CHUN HUNG
NON-EXECUTIVE
NON-INDEPENDENT DIRECTOR

MR. SERGE PUN @ THEIM WAI • EXECUTIVE CHAIRMAN

Board Committee(s) served on: Nominating Committee (Member)

Present Directorships in listed companies (as at the date of this annual report):

Yoma Strategic Holdings Ltd.

First Myanmar Investment Public Company Limited

Myanmar Thilawa SEZ Holdings Public Co. Ltd.

Past Directorships in listed companies held over the preceding 3 years: Nil

Present Principal Commitments:

(i) Executive Chairman of Yoma Strategic Holdings Ltd.

(ii) Executive Chairman of Memories Group Limited

(iii) Executive Chairman of First Myanmar Investment Public Company Limited

(iv) Executive Chairman of Yoma Bank Limited

Education and Achievements: Awarded special honour of being selected as one of the 65 outstanding Overseas Chinese Models worldwide to feature on a series of commemorative postage stamps celebrating the 65th anniversary of the People's Republic of China (2014). Awarded the special honor of being selected as one of the 70 outstanding Overseas Chinese Models worldwide to feature on a series of commemorative postage stamps celebrating the 70th anniversary of the People's Republic of China (2019).

Date of Appointment: 26 December 2017

Last Re-elected: 23 July 2019

Mr. Serge Pun is a Myanmar national and the Chairman of Serge Pun & Associates (Myanmar) Limited ("SPA"). In 1983, Mr. Pun founded Serge Pun & Associates Limited in Hong Kong SAR and eventually returned to the country of his birth to establish SPA in 1991.

In 1992, Mr. Pun established First Myanmar Investment Public Company Limited ("FMI") as one of the earliest public companies (unlisted) in Myanmar. In 2006, he led Yoma Strategic to a successful listing on the Mainboard of the Singapore Stock Exchange, and in 2016, FMI became the first company to list on the Yangon Stock Exchange.

Mr. Pun is a standing member of the Chinese People's Political Consultative Conference of Dalian and a member of the Asia Business Council. He is the Chair of the International Advisory Board of Singapore Management University for Myanmar and served as an Honorary Business Representative for Myanmar of International Enterprise Singapore from 2004 to 2006. Mr. Pun is a frequent speaker in international forums on Myanmar and ASEAN. Mr. Pun serves as a member of the Board of Governors at the Asian Institute of Management.

MR. PUN CHI YAM CYRUS • CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Board Committee(s) served on: Nil

Present Directorships in listed companies (as at the date of this annual report): Yoma Strategic Holdings Ltd. (Alternate Director to Mr. Serge Pun @ Theim Wai, the Executive Chairman).

Present Principal Commitment: Chief Executive Officer of Memories Group Limited

Past Directorships in listed companies held over the preceding 3 years: Yoma Strategic Holdings Ltd. (Non-Executive Non-Independent Director)

Education and Achievements: Bachelor's Degree in Economics, London School of Economics, Executive M.B.A. from Kellogg-HKUST

Date of Appointment: 1 February 2019

Last Re-elected: 23 July 2019 (will be seeking re-election at the 2021 AGM)

Mr. Cyrus Pun started his career working in the export industry in China and worked for Hutchison Port Holdings' South China Commercial Division. Mr. Pun joined SPA in 2007 to develop a mixed-used real estate project in Dalian, China.

Prior to Mr. Pun's appointment as an Executive Director and the Chief Executive Officer of Memories Group Limited, he was an Executive Director of Yoma Strategic and headed the Group's Real Estate business from 2012 to 2018. During this time, he led the Group's real estate activities, including some of Myanmar's largest and most prominent projects, and was responsible for bringing in international partners and investors for these developments. His last initiative at Yoma Strategic was to launch the Group's expansion into the affordable housing segment. He was also a Non-Executive Non-Independent Director before his re-designation as the Alternate Director to Mr. Serge Pun of Yoma Strategic.

MR. TUN TUN • NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

Board Committee(s) served on: Audit and Risk Management Committee (Member)

Present Directorships in listed companies (as at the date of this annual report): First Myanmar Investment Public Company Limited (Executive Director), Myanmar Thilawa SEZ Holdings Public Co. Ltd. (Alternate Director to Mr. Serge Pun @ Theim Wai)

Present Principal Commitment: Chief Operating Officer of First Myanmar Investment Public Company Limited

Past Directorships in listed companies held over the preceding 3 years: Nil

Education and Achievements: The Chartered Secretary Qualifying Scheme, Institute of Chartered Secretaries & Administrators (UK), Audit Committee Master Program International Finance Corporation, Myanmar Director Accreditation Program, Thai Institute of Directors, Master of Business Administration degree, National University of Singapore.

Date of Appointment: 26 December 2017

Last Re-elected: 28 January 2021

Mr. Tun Tun has been with the SPA and FMI group of companies since 1998. He has been an Executive Director of FMI since 2009 and currently also serves as FMI's Chief Operating Officer. Over the years, he has held various positions at both operational and corporate levels and has overseen many of the group's subsidiaries and joint ventures. Mr. Tun Tun holds a Master of Business Administration degree from the National University of Singapore. He is also an Associate Member of the Institute of Chartered Secretaries & Administrators (UK).

MR. BASIL CHAN • LEAD INDEPENDENT DIRECTOR

Board Committee(s) served on: Audit and Risk Management Committee (Chairman), Nominating Committee (Chairman) and Remuneration Committee (Member)

Present Directorships in listed companies (as at the date of this annual report): Grand Banks Yachts Limited, Broadway Industrial Group Limited, Nera Telecommunications Ltd.

Present Principal Commitment: Founder and Managing Director of MBE Corporate Advisory Pte. Ltd.

Past Directorships in listed companies held over the preceding 3 years: Global Invacom Group Limited, AEM Holdings Ltd

Education and Achievements: Bachelor of Science Degree in Economics (Honours) Business Administration, University of Wales Institute of Science and Technology, Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), Fellow of The Institute of Singapore Chartered Accountants (ISCA), Fellow of the Singapore Institute of Directors (SID).

Date of Appointment: 26 December 2017

Last Re-elected: 28 January 2021

Mr. Basil Chan is the Founder and Managing Director of MBE Corporate Advisory Pte. Ltd. Mr. Chan has more than 37 years of experience in audit, financial and general management, having held senior financial and management positions in both private and listed companies.

Mr. Chan was formerly a director and a member of the Governing Council of the Singapore Institute of Directors (SID) for almost 12 years. He was a member of the Corporate Governance Committee in 2001 that developed the Singapore Code of Corporate Governance and was a former member of the Accounting Standards Committee and the Auditing and Assurance Standards Committee of the Institute of Singapore Chartered Accountants ("ISCA"). He also previously sat on the Corporate Governance and Risk Management Committee of ISCA as its Deputy Chairman. He has been re-appointed a member of the Auditing and Assurance Standards Committee of ISCA.

MR. ROBIN LEE CHYE BENG • NON-EXECUTIVE INDEPENDENT DIRECTOR

Board Committee(s) served on: Audit and Risk Management Committee (Member), Nominating Committee (Member) and Remuneration Committee (Chairman)

Present Directorships in listed companies (as at the date of this annual report): Nil

Present Principal Commitment: Founder and Managing Consultant of Pivot Asia Consulting

Past Directorships in listed companies held over the preceding 3 years: Nil

Education and Achievements:

Bachelor of Science in Management and Marketing, University of Oregon's School of Business Administration, Li & Fung Leadership Program at the Massachusetts Institute of Technology's Sloan School of Management and the University of Hong Kong, Completed Listed Company Director Programme organised by the Singapore Institute of Directors

Date of Appointment: 26 December 2017

Last Re-elected: 23 July 2019 (will be seeking re-election at the 2021 AGM)

Mr. Robin C. Lee is the Founder and Managing Consultant of Pivot Asia Consulting. Mr. Lee has more than 30 years of business management, development and operational experience in various sectors including retail, consumer goods, healthcare, home appliances and automobiles distribution, integrated and project logistics and equipment rental. Mr. Lee took on various management roles both here and overseas in organisations such as Tat Hong Holdings Limited, Hong Kong's Li & Fung Group, Toys"R"Us Singapore, Sime Darby Group, Piaggio Asia Pacific, The East Asiatic Company, Rentokil Initial Asia Pacific and Bok Seng Group. He was formerly a CEO of the Singapore Association of the Visually Handicapped, a non-profit charity organisation.

Mr. Lee was a committee member of the Singapore Institute of Directors and a member of the Singapore Institute of Management. He has received awards for community service to education by the Singapore Ministry of Education in 2001, 2006 and 2017, as well as community service awards by the Singapore People's Association in 2001, 2006, 2012 and 2017.

MR. VINCENT CHAN CHUN HUNG • NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

Board Committee(s) served on: Nil

Present Directorships in listed companies (as at the date of this annual report): CN Logistics International Holdings Limited, Evergrande Property Services Group Limited

Present Principal Commitment: Director of Samena Capital

Past Directorships in listed companies held over the preceding 3 years: Nil

Education and Achievements: Bachelor of Arts, University of Hong Kong, Master in Business Administration, Victoria University of Manchester, The Institute of Chartered Financial Analyst

Date of Appointment: 1 February 2019

Last Re-elected: 23 July 2019

Mr. Vincent Chan is a Director of Samena Capital. Samena Capital* is a principal investment group, investing across multiple asset classes including private equity and corporate credit within the Subcontinent, Asia, Middle East and North Africa (the SAMENA region). He is also a member of the Investment Committee of the Samena Special Situation Funds. Prior to joining Samena Capital, he was the founding CEO of Spring Capital Hong Kong, an independent private equity firm that invests exclusively in China. Mr. Chan has 27 years of experience in private equity and has made over 50 investments in growth companies in China.

Mr. Chan obtained a Chartered Financial Analyst (AIMR). He holds a Bachelor of Arts from the University of Hong Kong, and a Master in Business Administration from the Victoria University of Manchester. He was the Listing Committee Member of the Hong Kong Stock Exchange from 2007 to 2012. He has been a member of the Listing Review Committees of the Hong Kong Stock Exchange from July 2020 onwards. He is the President of the Hong Kong Venture Capital and Private Equity Association (holding Chairmanship from 2005 to 2006).

* Samena Capital manages total capital of approximately US\$390 million as at December 2021 <http://samenacapital.com>.

KEY Personnel

MR. SERGE PUN • EXECUTIVE CHAIRMAN

MR. CYRUS PUN • CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR



MS. AYE THANDAR • DIRECTOR OF SALES

Raised and educated in Yangon, Aye Thandar started her career over 21 years ago developing and strengthening premium and exclusive leisure products in the hospitality industry. Prior to joining Memories Group, Aye Thandar worked with DPS @ Design Printing Service, Myanmar Net and Win Win War Co. Ltd, focusing on marketing complimentary tourist maps of Myanmar and promoting services to tourism operators. Her strong hotel sales background took root at the Inle Lake View Resort. The tenure also gave her the opportunity to understand both back and front-of-the-house operations. She worked with Htoo Hospitality for 11 years and played a key role at Aureum Palace Hotels & Resorts and Myanmar Treasure Resorts. Aye Thandar then joined Asia Holidays Travels and Keinnara Hpa-An. She played a key role in Memories Group's listing on the Catalist of the SGX-ST.



MS. MYITZU HNIN • HEAD OF HUMAN RESOURCES

Myitzu Hnin has over 24 years of experience in hotel operations, Learning & Development, Quality Improvement and Human Resources. She started her career in Traders Hotel Yangon (rebranded to Sule Shangri-La) in September 1996 as Health Club Manager, before changing her focus to Learning & Development in 2006. She is not only responsible for training hotel staff, but also in overseeing the hotel's quality improvement. Over the years, Myitzu Hnin gained experience in overseas vocations as well as in other global brand organisations. She actively participates in panel discussions for human resources forums and participates as a guest speaker at various hospitality institutes.



MR. MYO MYINT AUNG • GROUP FINANCIAL CONTROLLER

Myo Myint Aung is currently the Financial Controller of Memories Group. Prior to joining Memories Group, he worked as Head of Finance for Myanmar Thilawa SEZ Holdings Public Co. Ltd. (MTSH) and was the Chief Financial Officer of Myanmar Japan Thilawa Limited (MJTD), where he oversaw the financial and accounting operations, budgeting, cash management, tax, corporate reporting and compliance, and internal controls of both MTSH and MJTD. He has over 10 years of experience in the finance and accounting field. He holds a bachelor's degree in Applied Accounting from Oxford Brookes University. He is a member of the Institute of Singapore Chartered Accountants (ISCA) and a Fellow of the Association of Chartered Certified Accountants (ACCA).

**MR. PHILIPPE ECKERT • FOOD AND BEVERAGE DIRECTOR**

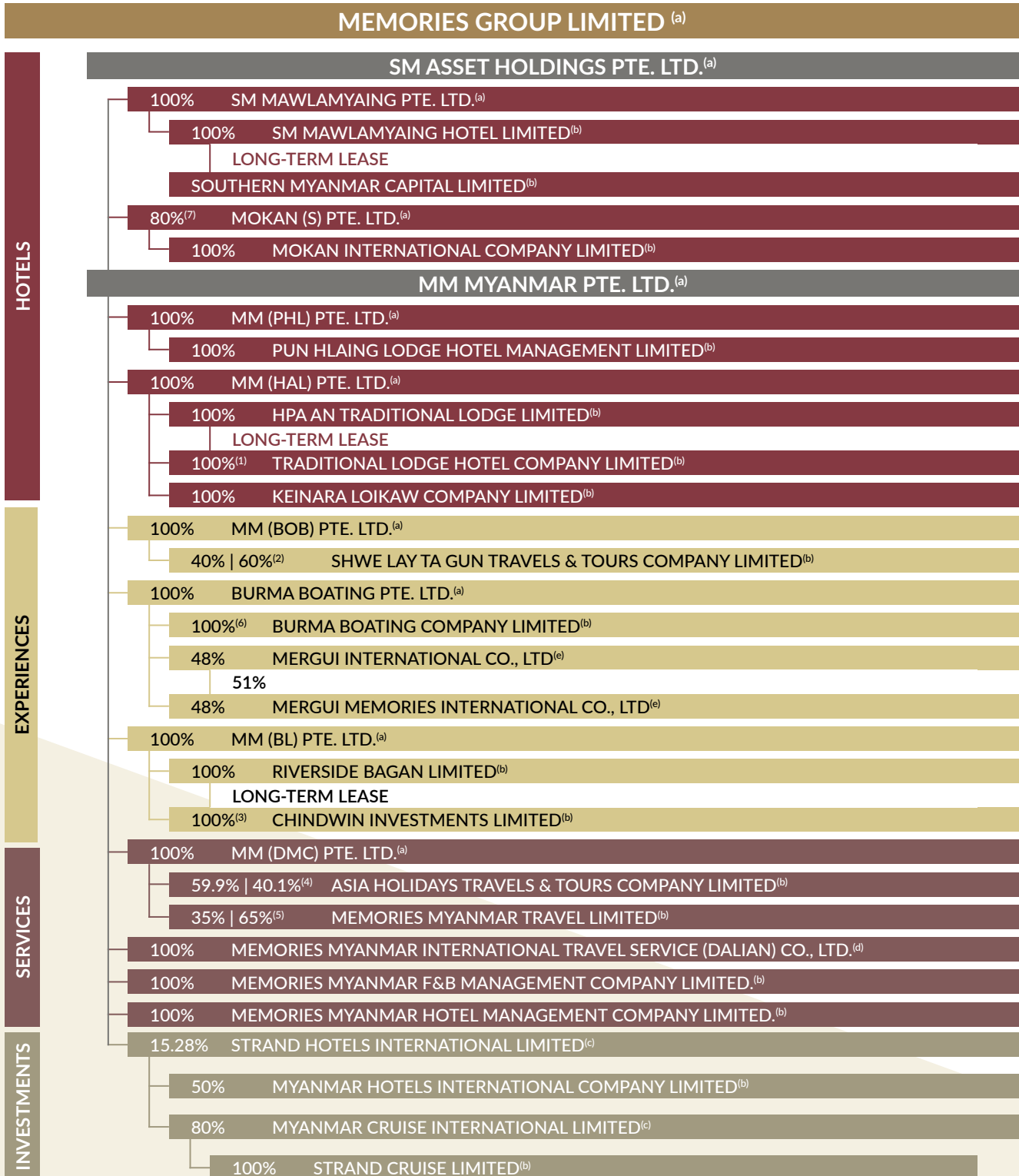
Philippe Eckert started his career in Food and Beverage almost 21 years ago training as a waiter. He then worked in different hotels and restaurants in Switzerland for several years. While studying at the Hotel Management School Lucerne (SHL), he had his first work experiences abroad in Hong Kong and Dubai. After graduating he moved to Jordan where he worked for Mövenpick Hotels as Assistant F&B Manager and later as F&B Manager in Singapore. He has been living in Myanmar since 2013, and for the last three years and prior to joining Memories Group, Philippe worked as Food and Beverage Director at Pun+ Projects.

**MR. TORSTEN EDENS • SENIOR VICE-PRESIDENT FOR THE TRAVEL SEGMENT**

Torsten Edens is the Senior Vice President (Travel) for Memories Group with a special focus on the Travel and Experience-building part of the business. Prior to joining Memories Group, he worked as Chief Operating Officer for Go Beyond Asia based in Bangkok and was the Managing Director for Diethelm Travel in Vietnam and cluster Director for the Diethelm Travel offices in Laos and Cambodia, handling and developing experiences for high-end customers coming from all over the world. His passion is in creating authentic experiences where the connection between the traveler and the hosts/locals is strengthened to create lasting memories. Before working in Southeast Asia, Torsten Edens has worked on developing Adventure Marathons worldwide in the Danish company Albatros Travel and was Head of Global Sales for the Swiss travel company Kuoni based in Zurich and Copenhagen.

CORPORATE Structure

(As at 11 January 2022)

**Notes:**

- (a) Incorporated in Singapore
 (b) Incorporated in Myanmar
 (c) Incorporated in British Virgin Islands
 (d) Incorporated in the People's Republic of China

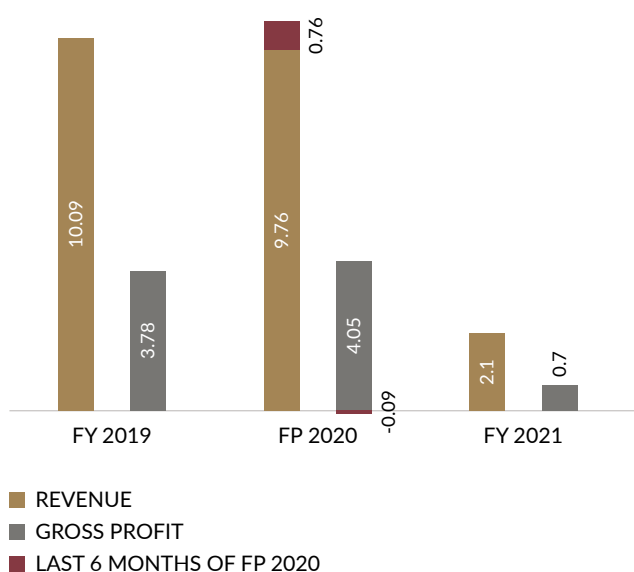
(e) Incorporated in Thailand

- (1) MM (HAL) Pte. Ltd. holds economic interest in respect of 100% interest in Traditional Lodge Hotel Company Limited
 (2) MM (BOB) Pte. Ltd. holds economic interest in respect of 60% interest in Shwe Lay Ta Gun Travels & Tours Company Limited
 (3) MM (BL) Pte. Ltd. holds economic interest in respect of 100% interest in Chindwin Investments Limited
 (4) MM (DMC) Pte. Ltd. holds economic interest in respect of 40.1% interest in Asia Holidays Travels & Tours Company Limited
 (5) MM (DMC) Pte. Ltd. holds economic interest in respect of 65% interest in Memories Myanmar Travel Limited
 (6) Burma Boating Pte. Ltd. holds economic interest in respect of 100% interest in Burma Boating Company Limited
 (7) Remaining 20% interest is held by Memories Group Limited

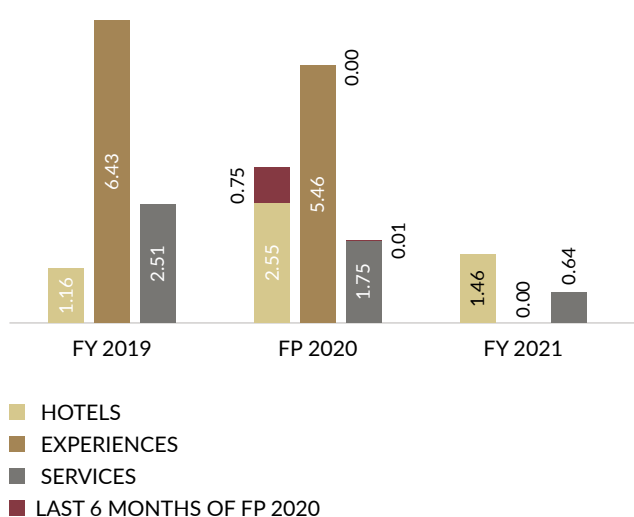
FINANCIAL Highlights

MEMORIES GROUP REDUCED THE LOSS BY 92%¹

REVENUE AND GROSS PROFIT



REVENUE BY SEGMENT



SUMMARISED PROFIT OR LOSS (US\$ MILLION)

	FY 2021	FP 2020	% CHANGE
Hotels	1.46	3.30	(56%)
Experiences	0.00	5.46	(100%)
Services	0.64	1.76	(64%)
Revenue	2.10	10.52	(80%)
Gross Profit	0.70	3.96	(82%)
Impairment Loss	1.79	14.77	(88%)
Net Loss	(2.75)	(35.97)	(92%)

The Group recorded a decrease in overall revenue by 80% in FY 2021 compared to FP 2020. Revenue from Hotels segment contributed to 70% (FP 2020: 31%) of overall revenue in FY 2021. Hotels segment's revenue decrease by 56% in FY 2021 compared to FP 2020, mainly due to the closures of Keinnara Loikaw, Keinnara Hpa-An, and Hotel Suggati Mawlamyaing and the low occupancy at Awei Pila due to Covid-19 pandemic and the political situations in Myanmar. However, Awei Metta reported a 1.5% increase in revenue.

There was no revenue contribution by Experiences segment to the Group in FY 2021 (FP 2020: 52%). Experiences segment recorded a decrease in revenue of 100% by US\$5.46 million in FY 2021 compared to FP 2020. The decrease was attributed to the suspension of operations in Balloons Over Bagan and Burma Boating due to Covid-19 pandemic and the political situations in Myanmar.

Revenue from Services segment contributed to 30% (FY 2020: 17%) of the Group's overall revenue in FY 2021, at US\$0.64 million in FY 2021, which was 64% less than FP 2020. This was due to a decrease in revenue from the destination management company business due to a significant fall in demand for travel in the country. However, food and beverage outlets in Pun Hlaing Country Club recorded a revenue of US\$0.65 million in FY 2021.

The Group's gross profit margin for FY 2021 was 33% (FP 2020: 38%), the decrease was due to changes in the revenue mix, where contribution shifted from the high margin Hotels segment and Experiences segment to the relatively lower margin food and beverage segment. Net loss after tax was US\$2.75 million (FP 2020: US\$35.97 million), which included impairment loss of US\$1.79 million (FP 2020: US\$14.77 million) and exchange gain from currency fluctuation of US\$10.03 million (FP 2020: exchange loss US\$3.54 million).

¹ The comparison was made between the 12-month ended September 2021 and 18-month ended September 2020.

OPERATIONAL *Review*

Suspension of international commercial flights in early months of FY 2021 and visa restrictions for non-essential travelers to Myanmar continue to impact the tourism industry which traditionally is dominated by inbound travelers. A series of events in FY 2021 – political event in February followed by a third wave of Covid-19 pandemic in July – caused further disruptions to the Group's businesses.



HOTELS

Revenue from Hotels segment was US\$1.46 million in FY 2021. The overall decline of revenue in Hotels segment, 44% less in FY 2021 compared to same period last year, reflected the low occupancy rate at Awei Pila and closures of Keinnara Hpa-An, Keinnara Loikaw, Hotel Suggati Mawlamyaing that resulted from the pandemic.

Awei Metta in Yangon, on the other hand, performed well albeit restrictions around large social gatherings due to Covid-19 pandemic and late evening curfews. In FY 2021, Awei Metta's revenue was 31% higher than same period last year with an average room occupancy of 57%. December 2020 was the best performing month with 87% room occupancy.

A combination of these events resulted in the suspension of the Group's hot-air balloon and yacht cruise businesses for the 2020/21 season and temporary closures of hotels in Hpa-an, Loikaw and Mawlamyaing. The Group reopened Keinnara Hpa-an in October 2021 and Awei Pila in December 2021. Hotel Suggati Mawlamyaing adapted its operation to servicing long-stay guests only to cater for expatriate staff of foreign companies and reopened partially in November 2021. Domestic airlines have slowly resumed commercial flights but the appetite for leisure travel remains low.

Save for Awei Metta and the food and beverage outlets within Pun Hlaing Estate in Yangon, the Group recorded low business volume in FY 2021.



EXPERIENCES

Revenue from Experiences segment was negligible in FY 2021. Due to the international and domestic travel restrictions around Covid-19 pandemic and the departure of expatriate following the political events, commercial operations of Balloons Over Bagan and Burma Boating were suspended in 2020/21 season.



SERVICES

The Group's Services segment recorded revenue of US\$0.64 million in FY 2021. Revenue of Services segment was contributed by operations of the food and beverage outlets and the Country Club within Pun Hlaing Estate. Memories Travel business had been significantly impacted by the suspension of international travels to Myanmar.

BOARD *Statement*

The Board of Directors (the “Board”) is pleased to present Memories Group’s Sustainability Report for FY 2021, which is our Group’s fourth Sustainability Report (the “Report”). Memories Group’s sustainability approach is aligned to that of our affiliated company, Yoma Strategic Holdings Ltd., (“Yoma Strategic”) and First Myanmar Investment Public Company Limited (“FMI”), and is premised on the recognition that Environmental, Social and Governance (“ESG”) aspects are increasingly important to our stakeholders. The Board, together with the Management, is committed to managing relevant ESG risks and opportunities across our different assets, while contributing positively to the environment and society. The Board has considered the material ESG factors as part of its strategic formulation, determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

The content of this Report has been reviewed and approved by the Board and Management of Memories Group and the Sustainability Committee.

Memories Group’s sustainability efforts are structured around the guiding principles of the United Nations Sustainable Development Goals (“UNSDGs”), and our targets are aligned with the Myanmar Sustainable Development Plan (“MSDP”) 2018 – 2030, enabling us to create long-term value for our stakeholders.

SUSTAINABILITY

at Memories Group

OUR SUSTAINABILITY COMMITMENT

Being sustainable means doing business while contributing to the economic and social progress of the communities that the Company is present, taking into account its environmental impact and fostering stable relationships with its main stakeholders.

Our sustainability focus areas are closely aligned with the United Nation's Sustainable Development Goals ("SDGs") of the 2030 Agenda for Sustainable Development, and our targets are aligned with the Myanmar Sustainable Development Plan ("MSDP") 2018 - 2030.

We support the Ten Principles of the UN Global Compact ("UNGC") and UN World Tourism Organisation Global Code of Ethics in sustainable development, safeguarding of cultural and natural heritage, integration of the local community and supporting worker's rights.

VISION

To become the leading tourism company in Myanmar in terms of diversity in geographical reach, innovation in products and customer experience and to achieve this in a sustainable and socially responsible way.

OUR SUSTAINABILITY FOCUS AREAS

Our Customers	Respect for the Environment	Preserving Local Heritage and Culture	Governance	Employability & Local Development
We serve our customers by being their trusted partner and by delivering the best products and services that cater to their needs.	We promote responsible environmental practices in all our hotels and support the hotels to improve environmental performance.	We support responsible travel by connecting guests with cultural and natural heritage to create stewardship in preserving local heritage and culture.	We create sustainable investment opportunities by leading with integrity and engaging in ethical and equitable business practices.	We invest in our people to build careers around a shared culture of fairness, diversity, empowerment and recognition.

OUR MATERIAL TOPICS

Customer satisfaction	Reduce use of plastics / Increase recycling efforts		Compliance with relevant laws and regulations	Employee skills training and career development Employee engagement
Experiential and authentic travel for our customers	Water scarcity Food scarcity	Identify "No-Go" activities or sensitive areas which are not suitable for tourism	Responsible suppliers Business ethics Anti-child labour, human rights	Equal gender pay, anti-discrimination
Safety and crisis management	Greenhouse gas emissions reductions			Diversity of workforce and inclusivity Supporting local community projects

SUSTAINABILITY COMMITTEE

GRI 102-18

Being sustainable means doing business while contributing to the economic and social progress of the communities in which the Company is present, taking into account its environmental impact and fostering stable relationships with its main stakeholders. This commitment to sustainability involves ensuring that strong ethical, social and environmental criteria are integrated in the Company's strategy, business model and its internal policies and processes.

Memories Group has a defined sustainability governance structure, both at the corporate and operational level.

- The Board approves the Company's general policies and strategies, including those relating to sustainability. It also approves the sustainability report.
- The Sustainability Committee oversees the sustainability initiatives and directions of the Company, making sure they are followed and are aimed at creating value for the Company and its stakeholders.
- The Sustainability Committee comprises the Chief Executive Officer ("CEO") and the respective General Managers ("GM") of the various business units of Memories Group.
- The Sustainability Committee meets at least once a year to review the sustainability performance of the business units.

EXTERNAL INITIATIVES OF MEMORIES GROUP

- Organisation for Economic Co-operation and Development ("OECD") Guidelines for the Protection of Human Rights and Social Development
- Universal Declaration of Human Rights ("UDHR")
- International Labour Organization's ("ILO") Core Conventions
- International Finance Corporation's ("IFC") Performance Standards
- Asian Development Bank's ("ADB") Safeguard Policy Statement
- Ten Principles of the United Nations Global Compact ("UNGC")
- Myanmar Business Coalition on Aid ("MBCA")

MEMBERSHIP OF ASSOCIATIONS

- Myanmar Hotelier Association "MHA"
- Union of Myanmar Travel Association "UMTA"
- Myanmar Tourism Marketing "MTM"

OUR STAKEHOLDERS

GRI 102-40, GRI 102-42, GRI 102-43

Memories Group uses different approaches and methods to communicate with various stakeholder groups. Stakeholder's requirements collected are addressed in a timely manner through collaborations with the relevant GM. Memories Group's identified stakeholders include customers, suppliers, employees, investors, and the local community. These stakeholder groups are defined by the various businesses the Group engage in, and the people with whom Memories Group interact with. Memories Group also has a team who engages frequently with the local community in areas where it operates, for example, at Pila Island, where Awei Pila is located. Across Memories Group, the engagement with various stakeholders is summarised below.

STAKEHOLDER GROUP	FREQUENCY OF ENGAGEMENT	MODE OF ENGAGEMENT
Customers	Continuous	Face-to-face feedback Phone calls Emails Online platforms such as TripAdvisor and other social media channels
Suppliers	Continuous	Emails Phone calls Messaging Apps (Viber, WhatsApp, etc.)
Employees	Continuous	Face-to-face feedback with supervisors Virtual and physical group meetings with relevant GM.
Investors	Continuous	Half-yearly financial result announcements on the SGX-Net Emails Face-to-Face discussions Virtual meetings
Local Community	Continuous	Face-to-Face discussion with local village heads and local government bodies

OUR MATERIAL TOPICS



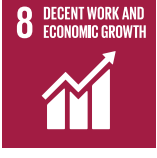


(GRI 102-44, 102-47)

The criteria for Memories Group's material analysis were explored and selected based on industry international standards, peer benchmarking based on companies with similar operations, media analysis, internal responses, and management awareness. Memories Group also considered the 17 SDGs, major indices from external rating agencies, and both international and Myanmar focused environmental assessment and policy reports. The material topics that were identified in 2018, were reviewed internally and continue to remain significant to the business in FY 2021.

OUR SUSTAINABILITY FOCUS AREAS					
	Our Customers	Respect for the Environment	Preserving Local Heritage and Culture	Governance	Employability & Local Development
	<i>We serve our customers by being their trusted partner and by delivering the best products and services that cater to their needs.</i>	<i>We promote responsible environmental practices in our hotels and support the hotels to improve environmental performance.</i>	<i>We support responsible travel by connecting guests with cultural and natural heritage to create stewardship in preserving local heritage and culture.</i>	<i>We create sustainable investment opportunities by leading with integrity and engaging in ethical and equitable business practices.</i>	<i>We invest in our people to build careers around a shared culture of fairness, diversity, empowerment and recognition.</i>
OUR MATERIAL TOPICS INCREASING LEVEL OF IMPORTANCE	Customer Satisfaction	Reduce impact of operations on environment, reduce use of plastics / Introduce and increase recycling efforts GRI 306-2	Identifying "No-Go" activities or sensitive areas which are not suitable for tourism	Compliance with relevant laws and regulations GRI 419-1	Employee skills training and career development GRI 404-1 GRI 404-2
	Experiential and authentic travel for our customers	Water scarcity GRI 303-1 GRI 306-1		Responsible suppliers	Employee Engagement
	Safety and crisis management	Food scarcity		Business ethics	Equal gender pay, anti-discrimination GRI 405-2
		Greenhouse gas emissions reduction GRI 302-1 GRI 302-3 GRI 305-1 GRI 305-2		Anti-child labour, human rights	Diversity of workforce and inclusivity GRI 401-1
					Supporting local community projects

HOW WE CONTRIBUTE TO THE SDGs

Memories Group is committed to supporting the SDGs in its business operations.

SDG	MEMORIES GROUP'S CONTRIBUTION
 <p>4 QUALITY EDUCATION</p>	<p>Memories Group provides long-term training and development programs to its employees across the various business units. Each employee has achieved on average more than 40 hours of training during the FY 2021.</p>
 <p>5 GENDER EQUALITY</p>	<p>Approximately 40% of Memories Group's workforce is female. The Group also has approximately 29% female representation on its senior management. Females are represented at the executive as well as the senior management levels across Memories Group. In FY 2021, 100% of managers have completed training on the topic of anti-harassment.</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Awei Pila provides electricity and waste collection for the nearby village and educates the local community on the impacts of improper dumping of waste.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Memories Group's businesses provide a total of approximately 364 jobs to the local communities in Myanmar. All employees are paid at least the government prescribed minimum wage fully supports and practices the International Labour Organisation's eight fundamental core conventions and the IFC's Labour and Working Conditions Standards. The Group prohibits child labour at all of its business operations and projects, and there were no cases of child labour reported in FY 2021.</p> <p>Through partnerships with local social enterprises in Yangon and Bagan, the Group's Hotels and Experiences segments provide a platform for these social enterprises to market and sell their handcrafted products. Seafood for restaurant at Awei Pila is purchased from the local fishermen and the resort employs the local communities living at nearby villages.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>Guest rooms at Awei Pila are designed to optimise the use of natural light during the day so as to minimise the use of artificial lighting in the room.</p> <p>At Memories Group's head office (Myanmar), 13% of total electricity consumption comes from renewable energy that generated from the solar panels at the roof top and the car parking area of the building.</p> <p>In January 2021, 81 staff from Balloons Over Bagan and Balloons Over Inle participated as volunteers in joint programs with other residents in the area and with the local government bodies to clean up plastic waste in the Bagan and Inle regions.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>At Awei Pila, all our amenities are free from plastic, as plastic bottles are not being used in the guest rooms and all glass bottles are crushed to be recycled and used in road construction or foundation.</p>
 <p>13 CLIMATE ACTION</p>	<p>Memories Group has protected and enhanced about 1,800 hectares of carbon forest at Pila Island. This will help mitigate greenhouse gas emissions. Carbon forests are patches of land in their own estates that can store more carbon than emission. Since 2019, Memories Group's has stored approximately 8,460 tonnes of CO₂¹.</p>
 <p>14 LIFE BELOW WATER</p>	<p>Awei Pila partnered with Ocean Quest (an environmental organisation based in Malaysia) in a coral conservation project in September 2019. Two sites – Long Beach and Honeymoon Bay, have been identified for development of coral nurseries. In addition to cataloguing the marine life around Pila island, nine coral nurseries were established on Pila island in October 2019. This repopulating program has continued in 2021 and will continue for another three years.</p>

¹ Tropical forests absorb 15,000 kg (33,000 lbs) per hectare per year. Ref: <https://www.sustainably.run/co2-verification>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) PERFORMANCE SCORECARD

MATERIAL ESG FACTORS	FY 2020 ² Performance	FY 2021 TARGETS	FY 2021 ³ Performance	FY 2022 Targets
GOVERNANCE (GRI 419-1, GRI 307-1)				
Business Ethics	No reported cases of corruption.	80% of employees trained in the Group's internal Code of Conduct.	No reported cases of corruption. No training on the Group's Internal Code of Conduct because of work from home arrangements.	80% of employees trained in the Group's internal Code of Conduct.
Compliance	No significant fines or non-monetary sanctions.	Strive to fully comply with relevant rules and regulations in all jurisdictions where we operate.	No significant fines or non-monetary sanctions.	Strive to comply with relevant rules and regulations in all jurisdictions where we operate.
Anti-child labour, human rights	No cases reported.	Advocate and raise awareness in our supply chain against use of child labour.	No cases reported.	Advocate and raise awareness in our supply chain against use of child labour.
ENVIRONMENTAL⁴				
Total energy consumption GRI 302-1,	16,672,093	Collect environmental data to set the targets in FY 2021.	6,081,443	Collect environmental data to set the targets in FY 2023 [#] .
GHG Emission ⁵ GRI 305-1, GRI 305-2 CO ₂ emissions (t)	997		558	
Carbon emission intensity per room per year for hotels (tCO ₂ / room / year) GRI 305-4	0.13		0.07	
Scope 1 Emissions (tCO ₂) ⁶ GRI 305-1	287		10.3	
Scope 2 Emissions (tCO ₂) ⁷ GRI 305-2	710		547.3	
Water consumption (m ³) GRI 303-1	32,252		16,259	
Non-hazardous waste (t)	4.6		0.5	
Waste recycled (t)	2.1		0.0	
Waste reused (t)	1.3		0.0	
SOCIAL				
Diversity & Equal Opportunity (GRI 405-1)				
		100% of all managers to have received anti-harassment training by FY 2021.	Achieved 100% of all managers to have received anti-harassment training.	100% of new hire to have received anti-harassment training by FY 2022.
Female employees	29%		40%	
Male employees	71%		60%	
Nationalities	12		7	
Training, Development & Talent Retention (GRI 404-1, GRI 404-2)				
		48 hours per employee per year.	18 hours per employee per year.	48 hours per employee per year.
Average training hours (females) / year*	15		13	
Average training hours (males) / year*	23		21	
Local Communities				
Supporting Local Communities	Tracking system across the Group established to quantify and monitor the volunteer hours for each employee. Achieved 2 volunteer hours per employee.	Each employee to achieve 2 volunteer hours.	Achieved average 2 volunteer hours per employee.	To maintain 2 volunteer hours per employee per year on average.

2 FY 2020 covers from 1st October 2019 to 30th September 2020.

3 FY 2021 covers from 1st October 2020 to 30th September 2021.

4 Environmental DATA of FY 2021 include data from Awei Metta, new F&B business and Balloons Over Bagan.

5 GHG emissions calculated include only CO₂ emissions and does not include CH₄ and N₂O.

6 Source of conversion factors used are based on GHG Protocol Emissions Factors from Cross Sector Tools (2017)

7 Based on Asian Development Bank's 2017 Guidelines for Estimating Greenhouse Gas Emissions, using the Grid Emission Factor of 0.332 tCO₂/MWh of electricity

* The training hours is an average across all business units.

Environmental targets for FY 2022 cannot be set based on FY 2021's performance given that the business operations were severely disrupted due to pandemic.

FY 2021 HIGHLIGHTS

LOCAL COMMUNITY

The COVID-19 pandemic plus the political crisis starting in February 2021 has had and will continue to significantly impact the people of Myanmar. With closures of factories, restaurants and businesses, 83% of households in Myanmar reported a reduction of incomes by almost half due to the pandemic alone. The continued closures of businesses will likely to increase the percentage of the population living under the poverty line.

In FY 2021, Awei Metta and Balloons Over Bagan's employees have collectively undertaken average 2 hours of volunteer works per employee. Memories Group provided food and essential supplies to over 12,000 people in Myanmar as well as participated and/or organised other community programs. Some examples are highlighted below.

WORKING TOGETHER WITH LOCAL COMMUNITIES

1. STEP-IN STEP-UP PROGRAM

Memories Group's flagship hotel Awei Metta, supports Step-in Step-up, a vocational training association based in Hlaing Thar Yar Township. Step-in Step-up's primary focus is on making a difference to the lives of the young and vulnerable people.

With its livelihood tailored training, Step-in Step-up focuses on preparing local youth for entry level jobs. To date, Step-in Step-up has delivered and sourced employment for over 300 men and women from the age of 18 and up. Of that number, up to 93% of the candidates completing the training to date have been successful in securing long term employment. Up to 85% of the graduates are still in employment up to 12 months later. Finally, 6% the graduates have been inspired to go back to school or embark on a course of further education.

During their trainings, Step-in Step-up interns work as a housekeeping, bellboy, waiter and waitress at Awei Metta, the important frontline positions at Pun Hlaing Hospital and Pun Hlaing Estate. More than 300 interns have been successfully employed. Interns also volunteered at the quarantine centres within Daing Su and Nyaung Villages.

2. FOOD DONATION

Collaboration with Step-In Step-Up program, Awei Metta provided to the villagers more than 12,000 fresh meal in FY 2021 at Hlaing Thar Yar Township where Memories Group's Head Office and Awei Metta are located.

3. BAGAN PLASTIC CAMPAIGN

Bagan

Balloons Over Bagan plays an important role in contributing to community projects throughout Bagan and to other causes in more remote areas of the country. Nyaung-U is about 4km away from old Bagan, where Balloons Over Bagan provides hot-air balloon flights for visitors wanting to have a panoramic view of the thousands of ancient temples of Bagan.

In January 2021, 81 staff from Balloons Over Bagan and Balloons Over Inle volunteered in joint programs with other residents in the area and with the local government bodies to clean up plastic waste in the Bagan and Inle regions.

⁸ <https://www.undp.org/press-releases/pandemic-and-political-crisis-could-result-half-myanmars-population-living-poverty>

FINANCIAL *Contents*

31 Corporate Governance Report

57 Directors' Statement

60 Independent Auditor's Report

68 Consolidated Statement of Comprehensive Income

69 Statements of Financial Position

70 Consolidated Statement of Changes in Equity

71 Consolidated Statement of Cash Flow

73 Notes to the Financial Statements

CORPORATE

Governance Report for FY2021

We are committed to high standards of corporate governance and have put in place several monitoring mechanisms to ensure effective corporate governance.

This section outlines the main corporate governance processes and practices adopted by the Company with specific reference to each of the principles and provisions of the Code of Corporate Governance 2018 (the “Code”) during the financial year ended 30 September 2021 (“FY2021”).

We confirm that Memories Group Limited (the “Company”, together with its subsidiaries, “Memories Group” or the “Group”) has generally adhered to the principles and provisions set out in the Code. Where there are deviations from the Code, appropriate explanations are provided.

During FY2021, the Group’s businesses and its operation were severely disrupted by the COVID-19 pandemic and the uncertain economic and business environments in Myanmar (the “Major Events”). These Major Events affected some of the corporate governance procedures and practices adopted by the Group.

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The primary function of the Board is to provide entrepreneurial leadership so as to protect and enhance long-term value and returns for its shareholders. Apart from its statutory responsibilities and roles set out in the Code, the key responsibilities of the Board include setting the overall strategy of the Company, formulating policies on various matters such as major investments, key operational initiatives and financial controls, reviewing the Company’s financial performance, providing leadership, setting strategic direction, establishing risk management procedures and goals for the Management as well as monitoring the achievement of the goals.

While matters relating in particular to the Company’s objectives, strategies and policies require the Board’s direction and approval, Management is responsible for the day-to-day operations and administration of the Company in accordance with the objectives, strategies and policies set by the Board.

Board Processes (Provision 1.1)

All Directors objectively make decisions in the interests of the Company and are expected to exercise independent judgment in the best interests of the Company and its shareholders. Decisions on all key matters are made by the Board and Directors facing conflicts of interest recuse themselves from meetings discussions and decisions involving the issues of conflict. The Directors also hold the Management accountable for the Company’s performance.

CORPORATE

Governance Report

for FY2021

Board meetings are held quarterly and in particular, two of the meetings are scheduled to coincide with half-yearly and full-year financial results reporting in order to facilitate a review of the financial statements and announcement of the unaudited half-yearly and full-year results of the Company. The Independent Auditor had highlighted a material uncertainty related to going concern and disclosure in relation to the effects of the Coronavirus-19 pandemic on the Audited Financial Statements for the eighteen months financial period ended 30 September 2020. As such, the Company will be commencing quarterly financial reporting for the third quarter ending 30 June 2022.

Board meetings in addition to an off-site Board strategy meeting, are typically scheduled before the start of the financial year to enable the Directors to plan ahead to attend these meetings. In addition to the formal Board meetings, the Board will typically organize to hold at least one off-site Board strategy meeting in Myanmar for in-depth discussion on strategic issues and the direction of the Company. Due to the Major Events, no off-site or Board meeting was held in Myanmar for FY2021.

Board Orientation and Training (Provision 1.2)

The Company conducts an orientation programme for all newly appointed Directors which seeks to familiarise Directors with Company's businesses, board processes, internal controls and governance practices at the Company's expense. The orientation programme includes Management presentations on the Company's businesses, strategic plans and objectives, meetings with key management personnel and briefings on key areas of the Company's operations.

The Nominating Committee in accordance with Rule 406(3)(a) of the Singapore Exchange Securities Trading Limited ("SGX-ST" or "Exchange") Listing Manual Section B: Rules of Catalist ("Catalist Rules"), ensures that any newly appointed Directors, who has no prior experience as a director of an issuer listed on the Exchange must undergo training in the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. During FY2021, no new Director was appointed to the Board.

The Directors will also be provided with updates and/or briefings from time to time by professional advisors, auditors, Management and the Company Secretaries in areas such as directors' duties and responsibilities, corporate governance practices, risk management matters and changes in financial reporting standards. Directors also attended seminars, conferences and presentations to supplement and keep themselves updated on areas such as accounting, legal and industry-specific knowledge. The Company will also, where it deems appropriate, arrange for training courses for Directors. Such courses will be funded by the Company.

Some of the professional development programmes attended by some Directors in FY2021 include the following:-

1. Annual Conference 2021 organised by Singapore Institute of Directors ("SID");
2. Corporate Governance Round-Up 2020 organised by SID;
3. Audit Committee Seminar 2021 jointly organised by ACRA, SGX-ST and SID; and
4. PDPA Training by TSMP Law Corporation.

Matters requiring Board's approval (Provision 1.3)

Some of the matters that require the Board's, *inter alia*, approval or review are listed below:

- (a) half-yearly financial statements and results announcements;
- (b) annual financial statements and results announcements;
- (c) annual reports;
- (d) declaration of interim dividends and proposal of final dividends;

CORPORATE

Governance Report

for FY2021

- (e) policies, strategies and objectives;
- (f) recommendation of Board compensation to shareholders;
- (g) review of succession plans for Directors;
- (h) compensation framework and specific remuneration package of the key management personnel;
- (i) review the adequacy and effectiveness of Company's risk management and internal control systems including establishing risk appetite and parameters, and internal control systems; and
- (j) annual budgets.

Delegation by the Board (Provision 1.4)

To assist in the execution of its responsibilities, the Board has, without abdicating its responsibility, established and delegated certain responsibilities to the various Board Committees, namely the Audit and Risk Management Committee ("ARMC"), the Remuneration Committee ("RC"), and the Nominating Committee ("NC") (collectively, the "Board Committees"). These Board Committees operate within clearly defined terms of reference setting out their compositions, authorities and duties. All Board Committees are chaired by a Non-Executive Independent Director.

Board and Board Committees meetings (Provision 1.5)

In FY2021, the number of the meetings of the Board and Board Committees as well as the annual general meeting ("AGM") held and the attendance of each Director, is disclosed below:

Name of Director	Board	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee	Annual General Meeting
Number of Meetings	4	6	1	1	1
Number of Meetings Attended					
Mr. Serge Pun @ Theim Wai ("Mr. Serge Pun")	4	NA	1	1	1
Mr. Pun Chi Yam Cyrus ("Mr. Cyrus Pun")	4	NA	NA	NA	1
Mr. Tun Tun	4	6	NA	NA	1
Mr. Basil Chan	4	6	1	1	1
Mr. Robin Lee Chye Beng ("Mr. Robin C. Lee")	4	6	1	1	1
Mr. Vincent Chan Chun Hung ("Mr. Vincent Chan")	4	NA	NA	NA	1

Notwithstanding such disclosure, the Board is of the view that the contribution of each Director should not be focused only on his/her attendance at meetings of the Board and/or Board Committees. A Director's contribution also extends beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interest of the Company.

The Constitution of the Company provides for meetings to be held via telephone, electronic or other communication facilities which permits all persons participating in the meeting to communicate with each other simultaneously. Where the attendance of certain Directors was not physically possible, the meeting was conducted with these Directors communicating through teleconferencing.

CORPORATE

Governance Report

for FY2021

Complete, Adequate and Timely Information and Access to Management and Company Secretary (Provisions 1.6 and 1.7)

Prior to each meeting, members of the Board and Board Committees are provided with the meeting agenda and the relevant documents submitted by Management, containing where possible and practicable, complete, adequate and timely information to enable full deliberation on the issues to be considered at the respective meetings. Comprehensive half-yearly and full -year financial statements/reports, which include background and explanatory information, are submitted to the Board for approval and released to the public. Management and the Company's Independent Auditor, who can provide additional insight into the matters for discussion, are also invited from time to time to attend such meetings.

The Directors have separate and independent access to Management and the Company Secretaries as when they require further enquiries or additional information. Management endeavours to meet their requirements in a timely manner so as to enable them to make informed decisions.

The Company Secretaries play a significant role in supporting the Board in discharging their duties and are trained in legal and company secretarial practices. The responsibilities of the Company Secretaries include:

- (a) attending all Board and Board Committee meetings;
- (b) preparing minutes of these meetings;
- (c) ensuring compliance with applicable laws and regulations;
- (d) the maintenance and updating of all statutory books and records;
- (e) ensuring good information flows within the Board and the respective Board Committees and between Management and Non-Executive Independent Directors;
- (f) advising the Board on governance matters; and
- (g) facilitating orientation and assisting with professional development of Directors as required.

The appointment and removal of the Company Secretaries are matters for the Board to decide as a whole.

Independent Professional Advice (Provision 1.7)

The Directors, whether as a group or individually, are entitled to seek and obtain independent professional advice in the furtherance of their duties and in the event that circumstances warrant the same. The expenses incurred in procuring such advice shall be borne by the Company.

CORPORATE

Governance Report

for FY2021

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Board Composition

As at the date of this Annual Report, the Board comprises six (6) Directors of whom two (2) are Executive Directors, two (2) are Non-Executive Non-Independent Directors and two (2) are Non-Executive Independent Directors.

Profiles and qualifications of the Directors and the listed directorships held by the Directors as at the date of this Annual Report, and in the last three (3) years are set out in the Board of Directors section of this Annual Report.

The compositions of the Board and Board Committees as at FY 2021 are set out as below.

Name of Director	Date of first appointment/last re-appointment as Director	Board membership	Audit and Risk Management Committee	Nominating Committee	Remuneration Committee
Executive Directors					
Mr. Serge Pun	23 July 2019	Chairman	-	Member	-
Mr. Cyrus Pun	23 July 2019	Member	-	-	-
Non-Executive Non-Independent Directors					
Mr. Tun Tun	28 January 2021	Member	Member	-	-
Mr. Vincent Chan	23 July 2019	Member	-	-	-
Non-Executive Independent Directors					
Mr. Basil Chan	28 January 2021	Member/ Lead Independent Director	Chairman	Chairman	Member
Mr. Robin C. Lee	23 July 2019	Member	Member	Member	Chairman

Board Independence (Provisions 2.1, 2.2 and 4.4)

The Code defines an “independent director” as one who has no relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director’s independent judgement with a view to the best interests of the Company. The independence of each Director is also reviewed annually by the NC based on the guidelines on independence specified in the Code (including the Code’s Practice Guidelines) and the circumstances set out in Rule 406(3)(d) of the Catalist Rules. The NC requires each Non-Executive Independent Director to confirm his relationship(s) with the Company, Management, officers and substantial shareholders in writing every year and reviews these confirmations of independence with the Director concerned abstaining and not taking part in any such deliberations. The NC will recommend the independence of the Non-Executive Independent Directors to the Board only after it is satisfied that the independence of these Directors is not compromised. For FY2021, the NC has determined that the two (2) Non-Executive Independent Directors continue to remain independent. The Board, after taking into consideration the recommendations of the NC, is of the view that the Non-Executive Independent Directors are not only independent in light of the provisions of the Code, but that they are also independent from substantial shareholders and that no individual or small group of individuals dominates the Board’s decision making process.

CORPORATE

Governance Report

for FY2021

As at the date of this Annual Report, there is no independent director who has served on the Board beyond 9 years from the date of his appointment.

Provision 2.2 of the Code provides that the independent directors should make up majority of the Board where, *inter alia*, the Chairman is part of the management team and is not an independent director. The Independent Directors comprise Mr. Basil Chan and Mr. Robin C. Lee, and they make up one-third of the Board in compliance with Rule 406(3)(c) of the Catalyst Rule. Mr. Basil Chan is the Lead Independent Director. As the Executive Chairman is part of Management, the Board has reviewed the percentage of Independent Directors on the Board, the Board believes that the Executive Chairman has always strived to protect and enhance the long-term shareholder values and the financial performance of the Company. As such, notwithstanding that the Provision 2.2 of the Code is not met in FY 2021, the Board is of the view that it has an appropriate level of independence and diversity to enable it to make decisions in the best interests of the Company. The Board will continue to assess and evaluate the need to appoint an additional non-executive independent director to meet the said provision of the Code.

The NC and the Board believe that the composition of the current Board, with Non-Executive Independent Directors making up one-third of the Board and Non-Executive Directors making up majority of the Board, remains appropriate and effective and the Independent Directors have exercised objective judgment on corporate affairs independently from Management, through the following actions:-

- (a) the Non-Executive Independent Directors, together with the Non-Executive Non-Independent Directors, constructively challenge proposals on strategy and also review the performance of Management; and
- (b) there is no individual or small group of individuals that dominates the decision making of the Board.

Board Composition and Size (Provisions 2.4 to 2.5)

Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance. Their views and opinions provide alternative perspectives to Company's businesses. When challenging Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interests and other complexities. The Non-Executive Independent Directors also meet and communicate regularly without the presence of the Management so as to facilitate a more effective check on Management. Such meetings are scheduled on a need-be-basis.

The Board comprises Directors who are qualified and experienced in various fields, with financial and business management backgrounds. The Board, with the concurrence of the NC, has reviewed the Board composition, taking into account the scope and nature of the operations of the Company, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and the Board Committees, and is satisfied that the current size of the Board is appropriate and allows for effective decision making, providing the necessary core competencies to meet Company's needs and to allow for diverse and objective perspective on the Company's strategic direction and growth.

The Board will review the expertise, skills and perspectives which the Board needs against the existing competencies to ensure that the Board dynamics remain optimal while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required.

As at the date of this Annual Report, the Company has not appointed any Alternate Director.

CORPORATE

Governance Report

for FY2021

The Company is strongly committed to fostering diversity and inclusion on its Board, leveraging the collective strength of its members who possess diverse abilities, knowledge, skills and professional experiences, and are able to contribute unique and valuable perspectives due to their different backgrounds, gender and cultures, effectively spurring innovative thinking and cultivating sustainable competitive advantages for the Company's long-term growth and success. It has adopted a Diversity Policy. The NC will strive to ensure that when seeking to identify a new Director for appointment to the Board, it will request for female candidates to be fielded for consideration. The final decision on selection of Directors will be based on merit against an objective criteria that complements and expands the skills and experience of the Board as a whole, and after having given due regard to the overall balance and effectiveness of a diverse Board.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Company practises a clear division of responsibilities between the Chairman and the Chief Executive Officer (the "CEO") to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision making. The roles of the Chairman and CEO are separate. Mr. Serge Pun is the Executive Chairman while Mr. Cyrus Pun is the CEO of the Company. Mr. Cyrus Pun is the son of Mr. Serge Pun.

Role of Chairman (Provisions 3.1 and 3.2)

Mr. Serge Pun is the Executive Chairman of the Company.

Mr. Serge Pun plays an instrumental role in providing the Company with strong leadership and vision, assisting the Board to develop policies and strategies and ensuring that these are implemented effectively, as well as to promote high standards of corporate governance.

As the Executive Chairman, he bears primary responsibility for the workings of the Board by ensuring effectiveness in all aspects of its role, including setting the agenda for Board meetings with input from Management and exercising control over the quality, quantity and timeliness of information flow between the Board and Management to encourage constructive relations within the Board and between the Board and Management. To promote a culture of openness and debate at the Board, he ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues and he also facilitates the effective contribution of Non-Executive Independent Directors.

Role of the CEO (Provisions 3.1 and 3.2)

Mr. Cyrus Pun is the CEO of the Company. The role of the CEO includes:

- (a) running the day-to-day operations of the Company; and
- (b) implementing the Company's strategies and policies.

CORPORATE

Governance Report for FY2021

Role of the Lead Independent Director (Provision 3.3)

As the Executive Chairman and CEO are immediate family members and are both part of Management, the Board has appointed Mr. Basil Chan as the Lead Independent Director to lead and co-ordinate the activities of the Non-Executive Directors in circumstances where it would be inappropriate for the Executive Chairman to serve in such capacity. The Lead Independent Director assists the Board in ensuring effective corporate governance in managing the affairs of the Board and the Company. Led by the Lead Independent Director, the Non-Executive Directors meet amongst themselves without the presence of the other Directors and Management where necessary, and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

The Lead Independent Director also facilitates a two-way flow of information between the shareholders, the Executive Chairman and the Board, and is available to shareholders where they have concerns and for which contact through the normal channels of the Chairman or the CEO or the Management has failed to resolve them or is inappropriate.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The majority of the members of the NC including the Chairman of the NC are Non-Executive Independent Directors. The Lead Independent Director is the Chairman of the NC.

Nominating Committee (Provisions 4.1 and 4.2)

Mr. Basil Chan (Chairman)

Mr. Robin C. Lee

Mr. Serge Pun

The NC is regulated by a set of written terms of reference endorsed by the Board, setting out the duties and responsibilities of its members. The responsibilities of the NC include:

- (a) developing and maintaining a formal and transparent process for the appointment of new Directors, including the nomination and selection process of the new Director and how he/she will fit in the overall competency of the Board;
- (b) reviewing the re-appointment of Directors;
- (c) reviewing the Board succession plans for Directors and key management personnel, in particular, the Chairman and for the CEO;
- (d) determining annually whether a Director is independent, bearing in mind the circumstances set forth in the Code, Catalyst Rules and other salient factors;
- (e) recommending to the Board as to whether the Director is to be considered independent, based on the returns submitted by the Directors upon his/her appointment and subsequently on an annual basis in the form set out in the NC's terms of reference;

CORPORATE

Governance Report for FY2021

- (f) reviewing the change in circumstances upon notification of an Independent Director to the Board that he no longer meets the criteria for independence as a result of a change in circumstances and making its recommendation to the Board;
- (g) deciding whether a Director is able to and has adequately carried out his duties as a Director of the Company in particular where the Director concerned has multiple board representations;
- (h) developing and maintaining a formal assessment process for the evaluation of the effectiveness of the Board as a whole and the contributions of each individual Director to the Board's effectiveness;
- (i) developing a process for evaluation of the performance of the Board, its Board Committees and Directors;
- (j) deciding on how the Board's performance may be evaluated and proposing objective performance criteria for the Board's approval;
- (k) reviewing the training and professional development programs for the Board;
- (l) considering the various disclosure requirements for the appointment of Directors, particularly those required by regulatory bodies such as the SGX-ST; and
- (m) undertaking such other duties as may be agreed to between itself and the Board.

Re-nomination of Directors (Provisions 4.3 and 4.5)

The NC reviews annually the nomination of the relevant Directors for re-election and re-appointment as well as the independence of Directors. The NC conducts an annual performance assessment of individual Directors. When considering the nomination of Directors for re-election and re-appointment, the NC takes into account their contribution to the effectiveness of the Board, preparedness, participation and the competing time commitment faced by Directors with multiple board representations. The NC, in assessing the performance of each individual Director, considers whether sufficient time and attention has been given by the Director to the affairs of the Company. It also has regard to the Director's other Board memberships and commitments.

Some of the Directors have multiple board representations and other principal commitments. Since the financial period ended 30 September 2020, the Board has adopted a guide that a Director should not serve on the boards of more than six (6) listed companies board representation. In determining whether each Director is able to devote sufficient time to discharge his duty, the contributions made by the Directors to and during meetings of the Board and Board Committees as well as their attendance at such meetings are also taken into account.

The Directors are subject to re-election at least once every three (3) years and the Constitution of the Company provides that at least one-third of the Directors for the time being, shall retire as Directors at each AGM. In view of the foregoing, Mr. Cyrus Pun Chi Yam and Mr. Robin Lee Chye Beng will retire and seek re-election at the forthcoming AGM pursuant to Article 99(4) of the Constitution of the Company.

Shareholders are provided with relevant information on the candidates for election or re-election. Please refer to Page 151 to Page 153 setting out "Additional Information on Directors seeking re-election" of this Annual Report.

CORPORATE

Governance Report

for FY2021

Criteria and Process for Appointment of New Directors (Provision 4.3)

The NC reviews annually the balance and diversity of skills, experience and knowledge required by the Board and the size of the Board which would facilitate decision-making. It will also consider the need to position and shape the Board in line with the evolving needs of the Group and its businesses. The NC, in consultation with Management, assesses if there is any adequate representation in respect of any of those attributes and if so, determines the role and the desirable competencies for a particular appointment. The NC's criteria for selection and appointment of new Directors is based on potential candidates' skills, knowledge and experience. External help may be used to source for potential candidates if need be. Directors and Management may also make recommendations. The NC would conduct a review of the skills and experience that is needed of a potential candidate and thereafter actively seek out such potential nominees that can provide positive contributions in those areas to the Board by conducting external searches. The NC will take an active role in screening and interviewing potential candidates before assessing the candidate's suitability and recommending him/her for nomination to the Board.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of the effectiveness as a whole and that each of its Board Committees and individual Directors.

Board Evaluation Criteria (Provision 5.1)

The NC has also made available a process of assessment of the contribution made by each individual Director towards the effectiveness of the Board and Board Committees, taking into account factors such as the Director's attendance, participation and contribution at the Board and Board Committee meetings. The NC also takes into consideration the feedback from individual Directors on areas relating to the Board and Board Committee's competencies and effectiveness.

Board Evaluation Process (Provision 5.2)

The Board acknowledges the importance of a formal assessment of the Board's performance and in line with the principles of good corporate governance, has adopted a formal system of evaluating the performance of the Board as a whole and the Board Committees during FY2021.

The results of the performance evaluation will be collated by the Company Secretary for the NC's review and consideration. Thereafter, the NC will make recommendations to the Board on enhancements to improve the effectiveness of the Board as a whole, its Board Committees and individual Directors.

For FY2021, Directors were requested to complete appraisal forms to assess the overall effectiveness of the Board and Board Committees. The appraisal process took into account objective performance criteria which would allow for comparison with industry peers and addresses how the Board has enhanced long-term shareholder value. The appraisal took into account factors and criteria such as the Board's structure, size, composition, conduct of meetings, processes, responsibilities and communication with shareholders. Completed forms were returned for collation and compilation on a non-attribution basis, so that open and frank feedback and comments can be encouraged. The compiled report was then sent to the NC for its deliberation and discussion. No external facilitator had been engaged.

Based on the results of the annual review, the NC is satisfied that the Board, its Board Committees and individual Directors are able to carry out and execute their duties and responsibilities effectively.

CORPORATE

Governance Report

for FY2021

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Level and Mix of Remuneration

Disclosure on Remuneration

Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

All members of the RC are Non-Executive Independent Directors.

Remuneration Committee (Provisions 6.1 and 6.2)

Mr. Robin C. Lee (Chairman)

Mr. Basil Chan

The RC is regulated by a set of written terms of reference endorsed by the Board, setting out the duties and responsibilities of its members. The responsibilities of the RC include:

- (a) developing and maintaining a formal and transparent policy for the determination of the Directors' remuneration including but not limited to the Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind;
- (b) recommending to the Board a framework of remuneration for the Directors and key management personnel and specific remuneration packages for each Executive Director and the CEO;
- (c) reviewing the specific remuneration of each key management personnel;
- (d) considering what compensation commitments the Directors' contracts of service, if any, would entail in the event of early termination and ensuring that such contracts of service contain fair and reasonable termination clauses;
- (e) ensuring that the level of remuneration offered is appropriate to the level of contribution taking into account factors such as effort and time spent, pay and employment conditions within the industry and in comparable companies and responsibilities taken;
- (f) reviewing whether the Directors and key management personnel should be eligible for benefits under long-term incentive schemes and to evaluate the cost and benefits of long-term incentive schemes;

CORPORATE

Governance Report for FY2021

- (g) making recommendations in consultation with the CEO and submitting its recommendations for endorsement by the entire Board; and
- (h) considering the various disclosure requirements for the Directors' remuneration, particularly those required by regulatory bodies such as the SGX-ST, and ensuring that there is adequate disclosure in the financial statements and/or other relevant public documents (if applicable) to ensure and enhance transparency between the Company and relevant parties.

As the RC comprises all the Non-Executive Independent Directors of the Company, the Board is of the view that the current composition of the RC remains appropriate and effective and they have exercised objective judgment on remuneration matters independently from Management. Furthermore, the Board also took into consideration the fact that the businesses of the Group had been disrupted by the Major Events, and the major cost cutting measures undertaken to reduce overheads in FY2021. As such, notwithstanding that the Provisions 6.2 of the Code is not met, the Board is of the view that the RC has an appropriate level of independence to enable it to make decisions regarding remuneration matters in the best interests of the Company. All decisions to be made by the RC would have to obtain unanimous approval of the members. Nevertheless, the Board will, on an annual basis, continue to review the need to appoint a Non-Executive Director as an additional member of the RC.

RC's Evaluation Criteria and Recommendations on Directors' Remuneration (Provisions 6.3, 6.4 and 7.1 to 7.3)

No Director was involved in deciding his own remuneration. The RC has full authority to engage any external professional to advise on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company. For FY2021, the Chairman and the CEO had voluntarily taken a 25% reduction in their salaries for the period from 1 October 2020 to 31 March 2021 and a further 100% and 50% reduction respectively in their salaries for the period from 1 April 2021 to 30 September 2021. The Group had also undergone a major cut to its workforce. Therefore, the RC did not engage any remuneration consultants in FY2021.

In setting the remuneration packages of the Executive Directors and key management personnel, the RC takes into consideration their responsibilities, skills, expertise and contribution, industry practices and norms in compensation. The RC reviews all aspects of remuneration, including salaries, fees, allowances, bonuses, share-based incentives and awards, and benefits-in-kind as well as termination terms to ensure that they are fair. An appropriate portion of the remuneration (being the base salary) of the Executive Directors and key management personnel is structured so as to link rewards to corporate and individual performance. Such performance-related remuneration is linked to the financial and operational performance of the Company.

The RC also ensures that remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the Company and key management personnel to successfully manage the Company for the long term.

The RC recognises that long-term incentives reinforce the delivery of long-term growth and shareholder value to drive an ownership culture and retain key talent. Shareholders had on 18 December 2017 approved the Memories Performance Share Plan ("Memories PSP") for the remuneration of the Directors and employees of Memories Group. The Memories PSP is administered by the RC. Award of shares are largely subject to a vesting period even upon the satisfaction of the performance criteria. No share award was granted under Memories PSP during FY2021. Details of the Memories PSP are set out in the Directors' Statement section of this Annual Report.

CORPORATE

Governance Report

for FY2021

Disclosure on Directors' Remuneration (Provision 8.1)

The RC has taken into consideration the various disclosure requirements for the Directors' remuneration, particularly those required by regulatory bodies such as the SGX-ST, and also to enable adequate disclosure in the financial statements for enhanced transparency.

Disclosure of Remuneration for FY2021 (Provisions 8.1, 8.2 and 8.3)

Non-Executive Directors are paid Directors' fees which are subject to shareholders' approval at a general meeting. The RC had recommended to the Board the payment of the Directors' fees of up to S\$130,000 for FY2021, which had been approved by shareholders at the AGM held on 28 January 2021.

The remuneration structure for the Directors for FY2021* is as follows:

Name of Director	Base /Salary (%)	Variable Component or Bonus (%)	Benefits- in-kind, Allowances and Other Incentives (%)	Directors Fees (%)	Total (S\$)
Executive Directors					
Mr. Serge Pun	71%	-	29%	-	98,370
Mr. Cyrus Pun	74%	-	26%	-	215,144
Non-Executive Non-Independent Directors					
Mr. Tun Tun	-	-	-	100%	18,000
Mr. Vincent Chan	-	-	-	100%	13,500
Non-Executive Independent Directors					
Mr. Basil Chan	-	-	-	100%	38,700
Mr. Robin C. Lee	-	-	-	100%	25,200

* As announced on 11 May 2021 and 28 November 2021, in view of the Major Events, the Group's senior management including the Executive Chairman and the Chief Executive Officer had voluntarily taken reductions in their salaries, a 25% reduction for the period from 1 October 2020 to 31 March 2021 and a further 100% and 50% reduction respectively for the period from 1 April 2021 to 30 September 2021. The Directors had also taken voluntary reductions in Directors' fees for FY2021. The salaries and the Directors' fees disclosed reflect these reductions.

CORPORATE

Governance Report

for FY2021

The Company has one (1) key management personnel (excluding the Executive Chairman and the CEO) as at the date of this Annual Report. The level and mix of the remuneration of key management personnel (who are not directors or the CEO), in bands of S\$250,000, for FY2021, is set out below:

Remuneration Band and Names of Key Management Personnel	Base/ Fixed Salary (%)	Variable Component or Bonuses (%)	Benefits-in-kind, Allowances and Other Incentives (%)	Total (%)
Up to S\$250,000				
Mr. Myo Myint Aung ¹	94%	–	6%	100%

Note:

1. Mr. Myo Myint Aung was the Acting Group Financial Controller from 1 October 2020 to 6 January 2021. He was re-designated as the Group Financial Controller on 7 January 2021. In view of the Major Events, Mr. Myo Myint Aung, as part of senior management, had voluntarily taken a 25% reduction in his salary for FY2021. The salary disclosed above reflects the reduction.

The aggregate amount of the total remuneration paid to the abovementioned key management personnel including the Executive Chairman and the CEO for FY2021 was approximately S\$419,598. During FY2021, no termination, retirement and post-employment benefits have been granted to the Directors, the CEO or the key management personnel and senior management.

Apart from Mr. Serge Pun and Mr. Cyrus Pun (who is the son of Mr. Serge Pun), there are no other employees who are immediate family members of a director, CEO or substantial shareholder, and whose remuneration exceeded S\$100,000 during FY2021.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Audit and Risk Management Committee

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

Oversight of Risk Management (Provision 9.1)

The Board, supported by the ARMC, oversees the Group's system of internal controls and risk management. The ARMC is in turn advised by the Independent Auditor and Internal Auditor who review the adequacy and effectiveness of material internal controls, including financial, operational, compliance and information technology controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the ARMC.

CORPORATE

Governance Report

for FY2021

The Company had implemented the Anti-Bribery and Anti-Corruption Policy by streamlining its Anti-Bribery Policy and Anti-Corruption Procedures. This policy sets out guidelines to ensure that the Group, its Directors, officers, employees and agents conduct their activities in an honest and ethical manner, and that they comply with the tenth principle of United Nations Global Compact. The United Nations Global Compact is a principle-based framework stating that businesses should work against corruption in all its forms, including extortion and bribery.

As disclosed in the Annual Report for the financial period ended 30 September 2020, there was a case of fraud at its wholly-owned Myanmar subsidiary Asia Holidays Travels & Tours Company Limited.

Management had since taken steps to start adopting the recommendations set out in the internal audit reports to implement the onboarding of the compliance manager and the implementation of a new booking management system, a procurement and payment management system, and a new accounting system which were targeted to be completed during FY2021. The compliance manager had left the Group during FY2021. The Group intends to recruit a compliance manager as soon as business resumes back to usual.

However, since September 2020, with the onset of a second wave of Covid-19, domestic travel was stringently restricted which further affected the Group's businesses. All of the Group's business units, except for Awei Metta, had at various points in time suspended their operations accordingly. Furthermore, on 1 February 2021, Myanmar's military announced a State of Emergency and taken over the government triggering nationwide demonstrations and civil movements in protest which caused severe disruptions in the economy and society. As such, the implementation of the new booking management system, a procurement and payment management system, and a new accounting system were put on hold in view of the business needs and cost cutting measures. Post FY2021, the Management had put in place the new payment processing system and partial implementation of new booking management system and procurement system. The implementation of the new booking management system and procurement system would be completed during the financial year ending 30 September 2022. The new accounting system would be implemented as soon as business resumes back to usual.

Based on the framework of risk management and internal controls established and maintained by the Management, the reviews carried out by the respective Board Committees, work performed by internal auditors (namely BDO LLP and the Yoma Group Risk Management and Assurance team) and Independent Auditor, and assurance provided by the CEO and Group Financial Controller, the Board and the ARMC are of the view that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective for FY2021.

The Board notes that the risk management and internal control systems put in place provides reasonable, but not absolute assurance that the Group will not be significantly affected by any material adverse event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no risk management and internal control systems can provide absolute assurance in this regard, or absolute assurance against poor judgement in decision making, human error, losses, fraud or other irregularities.

Assurance from the Key Management Personnel (Provision 9.2)

The Board has received assurance from the CEO and the Group Financial Controller, that in respect for FY2021:-

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances, and
- (b) the Group's risk management and internal control systems are adequate and effective to address all material aspects of the financial, operational, compliance and information technology risks in the context of the scope on the Group's business operations.

CORPORATE

Governance Report

for FY2021

Audit and Risk Management Committee (Provisions 10.1 to 10.3)

The ARMC was established by the Board and all members of the ARMC including the ARMC Chairman are Non-Executive Directors. A majority of the members of the ARMC including the ARMC Chairman are independent. The Chairman of the ARMC, Mr. Basil Chan is experienced in audit, financial and general management and one other member of the ARMC, Mr. Tun Tun, possesses related financial management expertise and experience.

Mr. Basil Chan (Chairman)

Mr. Tun Tun

Mr. Robin C. Lee

The ARMC is authorised by the Board to investigate any matters it deems appropriate within its terms of reference and has direct and unrestricted access to the Independent Auditor and the Internal Auditor. It may invite any Management, any officer or employee of the Company, the Independent Auditor, and the Internal Auditor to attend its meetings. It is also authorised to engage any firm of accountants, lawyers or other professionals as it sees fit to provide independent counsel and advice to assist in the review or investigation on such matters within its terms of reference as it deems appropriate, at the Company's expense.

The duties within its written terms of reference include:

- (a) reviewing with the Independent Auditor the audit plan, their evaluation of the system of internal accounting controls, their audit report, their Management letter and the Management's response;
- (b) reviewing the half-yearly and annual financial statements of the Company before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with any stock exchange and statutory/regulatory requirements;
- (c) reviewing the internal controls and procedures and ensure co-ordination between the Independent Auditor, the Internal Auditor and the Management, review the assistance given by management to the independent auditor and discuss problems and concerns, if any, arising from the audits, and any matters which the independent auditor may wish to discuss (in the absence of management where necessary);
- (d) reviewing and discuss with the Independent Auditor and the Internal Auditor any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and the Management's response;
- (e) considering the appointment or re-appointment of the Independent Auditor, the audit fee, and matters relating to the resignation or dismissal of the Independent Auditor;
- (f) reviewing transactions falling within the scope of Interested Person Transactions in accordance to requirements set out under the Catalist Rules, and in particular matters pertaining to acquisitions and realisations;
- (g) reviewing periodically the Company's foreign exchange and hedging policies including whether the Company has in place adequate and appropriate hedging policies and used appropriate instruments for hedging, if applicable;

CORPORATE

Governance Report for FY2021

- (h) reviewing the adequacy and structure of the finance function on an on-going basis and take appropriate remedial actions as may be necessary;
- (i) monitoring and reviewing the Company's control of cash and banking procedures as may be necessary;
- (j) reviewing the adequacy and effectiveness of the Company's internal audit function periodically, and to comment on whether the internal audit function is independent. Prior to the decommissioning of such annual internal control audits, the ARMC is required to report to the Board on the basis for the decision to decommission the internal control audit. Such audits may be re-initiated by the ARMC;
- (k) undertaking such other reviews and projects as may be requested by the Board and report to the board its findings from time to time on matters arising and requiring the attention of the ARMC;
- (l) reviewing whether any internal control weaknesses as identified by the Independent Auditor and Internal Auditors have been fully addressed;
- (m) generally undertaking such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;
- (n) determining and recommending to the Board for its approval, the nature and extent of significant risks in achieving the Board's strategic objectives. In particular, the ARMC should determine the company's levels of risk tolerance and risk policies, and oversee Management in the design, implementation and monitoring of the risk management and internal control systems. The ARMC should also oversee and advise the Board on the current risk exposures and future risk strategy of the Company;
- (o) reviewing the effectiveness of the Company's internal controls and risk management systems, including financial, operational, compliance and information technology controls and risk management system. Where material weaknesses are identified by the ARMC and/or the Board, ARMC is required to discuss with the Board on the steps taken to address the weakness; and
- (p) reviewing and implementing the Company's policies, arrangements and procedures for reporting and detecting fraud and improprieties in matters of financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on.

The Board is of the view that all the members, including the Chairman of the ARMC, have relevant accounting, financial, business management and work experience to discharge their responsibilities as set out in its term of reference.

For FY2021, no former partner or Director of the Company's incumbent auditing firm or its member firms was a member of the ARMC.

The Independent Auditor updates the ARMC on all changes to accounting standards and issues which have a direct impact on the Company's financial statements. The ARMC members from time to time attend training to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements.

CORPORATE

Governance Report

for FY2021

Internal Audit (Provision 10.4)

The Board believes it is crucial to put in place a system of internal controls of the Company's procedures and processes to safeguard shareholders' interests and our assets, and to manage risks.

The Company's internal audit functions are outsourced to BDO LLP and the Yoma Group Risk Management and Assurance team ("Yoma GRMA") (collectively the "Internal Auditors") in FY2021. BDO LLP is one of the largest accountancy and business advisory firms in Singapore. As a result of the Major Events, the ARMC believes that it was more appropriate for the Yoma GRMA which has a local team in Myanmar to perform the internal audit work on Awei Metta (which is the only operating hotel in FY2021). The Head of Yoma GRMA, Mr. Michael Toh is a member of Certified Practising Accountant Australia with a broad range of past experience covering areas of internal audit, taxation, controllership, and treasury. Both BDO LLP and Yoma GRMA report directly to the ARMC Chairman and administratively to the CEO and Group Financial Controller. The Internal Auditors carry out their internal audits with reference to the principles of the International Professional Practice Framework of the Institute of Internal Auditors. The ARMC annually reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. The internal audit function has unfettered access to all the issuer's documents, records, properties and personnel, including the ARMC, and has appropriate standing within the Company. The ARMC is satisfied that the Internal Auditors are adequately qualified (given, *inter alia*, its adherence to standards set by internationally recognised professional bodies), independent, effective and adequately resourced, and has the appropriate standing in the Company to discharge its duties effectively.

ARMC Meeting with Independent Auditor and Internal Auditors (Provision 10.5)

The ARMC has met with the Independent Auditor and the Internal Auditors once without the presence of Management in FY2021.

CORPORATE

Governance Report

for FY2021

Commentaries on Key Audit Matters

Below are the ARMC's commentaries on the key audit matters in the Independent Auditor's Report in this Annual Report:

Key Audit Matters	How The Matter Was Addressed In Our Audit And The Findings
<p>Impairment of goodwill and intangible assets with indefinite useful lives (trademark and brand)</p>	<p>The ARMC has considered the approach and methodology applied to the value-in-use ("VIU") model in the impairment assessment.</p>
<p>As at 30 September 2021, management performed impairment assessment on the following goodwill and intangible assets with indefinite useful lives:</p>	<p>The ARMC reviewed the outcomes of the goodwill and intangible assets with indefinite useful lives (trademark and brand) impairment processes and discussed the details of the review with Management, focusing on the key assumptions applied in the VIU calculations of the cash generating units (CGUs).</p>
<ul style="list-style-type: none"> • Goodwill on services segment of US\$1.40 million; • Goodwill on hotels segment of US\$1.24 million; • Trademark attributable to services segment of US\$1.06 million; and • Brand attributable to experiences segment of US\$0.06 million. 	<p>The ARMC also discussed the above with the Independent Auditor on the work performed over the appropriateness of the assumptions used, namely, the forecasted revenue, profit margin, growth rate, operating expenses and discount rate and was satisfied that these were appropriate.</p> <p>The ARMC was satisfied with the impairment review process, the approach and methodology used and the assessment to recognised impairment charge on goodwill amounted to US\$1.40 million and US\$0.39 million on intangible assets with indefinite useful lives respectively as at 30 September 2021.</p>
<p>Impairment of investments in subsidiary corporations, property, plant and equipment and other intangible assets</p>	<p>The ARMC has considered the approach and methodology applied to the value-in-use ("VIU") model in the impairment assessment.</p>
<p>As at 30 September 2021, the carrying amounts of the Group's and the Company's non-financial assets (other than goodwill and intangible assets with indefinite useful lives) are as follows:</p>	<p>The ARMC reviewed the outcomes of the investments in subsidiary corporations, property, plant and equipment and other intangible assets impairment processes and discussed the details of the review with Management, focusing on the key assumptions applied in the VIU calculations of the cash generating units (CGUs), including outlook of the Myanmar tourism industry, impact of the Covid-19 pandemic, possible recovery scenarios.</p>
<ul style="list-style-type: none"> • Investments in subsidiary corporations of US\$67.48 million; • Property, plant and equipment on services segment of US\$0.31 million; • Property, plant and equipment on experiences segment of US\$9.22 million; • Property, plant and equipment on hotels segment of US\$37.57 million; and • Customer relationship attributable to services business segment of US\$0.07 million. 	<p>The ARMC also discussed the above with the Independent Auditor on the work performed over the appropriateness of the assumptions used, namely, the forecasted revenue, profit margin, growth rate, operating expenses and discount rate and was satisfied that these were appropriate.</p> <p>The ARMC was satisfied with the impairment review process, the approach and methodology used. Based on the impairment test, the recoverable amounts of the Group's property, plant and equipment and the Company's investments in subsidiary corporations exceed their respective carrying amounts, accordingly no impairment charge is recognised as at 30 September 2021.</p>

CORPORATE

Governance Report

for FY2021

Key Audit Matters

How The Matter Was Addressed In Our Audit And The Findings

Going concern assumption

Memories Group has incurred net loss and net cash used in operating activities for the financial year ended 30 September 2021 of US\$2.75 million and US\$1.73 million, respectively.

In addition, the Group's current liabilities amounting to US\$22.99 million as at 30 September 2021, including borrowings of US\$4.85 million and convertible bonds of US\$3.54 million are due for repayment within twelve months from the end of the financial year. The Group's current assets amounting to US\$2.32 million as at 30 September 2021, including the unrestricted cash and cash equivalents amount of US\$0.13 million may be insufficient to fulfil these obligations at the relevant repayment dates.

The ARMC reviewed the appropriateness of going concern basis of accounting used by the Management in the preparation of the financial statements in view of Memories Group's financial results and cash flows for FY2021 as well as Memories Group and the Company's net current liabilities position and cash and bank balances as at 30 September 2021.

The ARMC reviewed all the relevant financial and non-financial factors set out by the Management, taking into consideration the cash flow projections presented by the Management.

- (i) As at 30 September 2021, the Group was in a net current liabilities position of US\$20.67 million mainly arising from trade payables for the development cost of Awei Metta Hotel, Awei Pila Hotel and Hotel Suggati Mawlamyaing (Hotels Segment). Of this amount, US\$6.66 million relates to non-trade payables due to related parties and US\$14.01 million comprises payables to third-party creditors, convertible bonds holder and the current portion of borrowings. The Group had obtained written confirmation from related parties not to demand for repayments of the non-trade payables due to related parties of US\$6.66 million within the next 12 months;
- (ii) The Group has unutilised credit facilities that is available to the Group for drawdown, if required, which included US\$0.26 million from a secured loan, US\$1.08 million from an unsecured loan and US\$1.00 million from Myanmar Outlook Investment Company Limited;
- (iii) A non-binding term sheet for US\$10 million convertible loan which had been executed with its substantial shareholder, First Myanmar Investment Public Company Limited ("FMI"), in December 2020. This term sheet does not have an expiry date and is subject to, inter alia, entry into a definitive agreement and applicable approvals being sought. FMI has indicated its intention to provide continuing financial support to enable the Group to meet its obligation as and when they fall due;

CORPORATE

Governance Report

for FY2021

Key Audit Matters

How The Matter Was Addressed In Our Audit And The Findings

- (iv) Given the events of the last 12 months in Myanmar, the Group had not met its loan obligations for certain secured loans amounting to US\$0.25 million as at 30 September 2021. There were no acceleration of repayments and no notifications from the lenders for the affected loans to be settled on demand basis. The Group has been and continues to be in active discussion with the lenders to extend/revise the loan repayment schedules for loans amounting to US\$5.21 million. In addition, the Group has also obtained approval from a bank to capitalise interest expense of MMK2.45 billion (equivalent to approximately US\$1.32 million) as additional principal drawdown from existing loan facilities with the same terms. In view of the ongoing negotiations with the lenders, the Directors are of the opinion that the foregoing default is not expected to have a significant impact on the operations of the Group and will not result in the Group facing cash flow difficulties; and
- (v) The Group is currently in discussions with its convertible bondholder, Oakfame Investment Limited, to extend the maturity date of the convertible bond amounting to US\$3.19 million for 18 months to 26 November 2023.

Accordingly, the ARMC is satisfied that there are adequate funding in place as at the date of this Annual Report to enable Memories Group and the Company to continue as a going concern and confirmed that all material disclosures have been provided for trading of the Company's shares to continue in an orderly manner.

CORPORATE

Governance Report for FY2021

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights and Conduct of General Meetings

Engagement with Shareholders

Engagement with Stakeholders

Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Shareholders Rights & Responsibility (Provisions 11.1 to 11.5)

Shareholders are entitled to attend the general meetings of shareholders and are given the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders.

The Company encourages active shareholder participation at its general meetings. It delivers the notice of AGM and related information at least fourteen (14) days' in advance. The Company provides for separate resolutions at general meetings on each substantial issue, including treating the re-election of each Director as a separate subject matter unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are "bundled", the Company would explain the reasons and material implication in the notice of meeting. In each notice of AGM, the Company provides explanatory notes for most of the agenda items which require shareholders' approval. Notices of meetings are also published in The Business Times. Annual Report or circulars of the general meetings are usually despatched to all shareholders by post. The Company also holds its general meetings at a central location in Singapore with convenient access to public transportation. All Directors attend general meetings of shareholders, and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the issuer's annual report.

In view of the COVID-19 situation, the forthcoming AGM to be held in January 2022 will be held via electronic means pursuant to the COVID-19 (Temporary Measures)(Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "Order"). Alternative arrangements relating to the mode of publication of notice of AGM, despatch of annual report and proxy form, attendance at the AGM via electronic means, submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, will be put in place for the AGM. The Constitution of the Company allows a shareholder to appoint up to two (2) proxies to attend, speak and vote in the shareholder's place at the general meetings of shareholders. Pursuant to the introduction of the multiple proxies regime under the Singapore Companies (Amendment) Act 2014, indirect investors who hold the Company's shares through a nominee company or custodian bank or through a Central Provident Fund agent bank may attend, speak and vote at general meetings. The Company's Constitution also allows for absentia voting (including but not limited to the voting by mail, electronic mail or facsimile).

CORPORATE

Governance Report

for FY2021

Shareholders who are unable to attend the general meetings may appoint up to two (2) proxies each to attend, speak and vote on their behalf and shareholders who hold shares through nominees and custodial services may attend the general meetings as observers without being constrained by the two (2) proxies requirement. Shareholders are given an opportunity to air their views and ask questions regarding the Company and the Group at the general meetings. The Directors and key management personnel are in attendance to address queries and concerns about the Company. The Company's Independent Auditor also attends the AGM to help address shareholders' queries relating to the conduct of the audit and the preparation and content of the auditors' reports.

All resolutions are put to vote by poll and a scrutineer will also be appointed to count and validate the votes cast at the meetings. Voting and vote tabulation procedures will be disclosed at the general meetings. The total number of votes cast for, against or abstain the resolutions and the respective percentages will also be announced on SGXNet after the general meetings.

The Company Secretaries prepare minutes of general meetings, which incorporate substantial and relevant comments or queries from shareholders and responses from the Board and Management. These minutes can be accessed on the Company's website at <https://investors.memoriesgroup.com> as soon as practicable. In view that the forthcoming AGM to be convened in January 2022 will be held by electronic means due to the evolving Covid-19 situation, minutes of the said AGM will be published within one (1) month after the general meeting, in accordance with the requirements under the Order.

Dividend Policy (Provision 11.6)

The Company has implemented a Dividend Policy which aims to provide a return to shareholders once a year through the payment of dividends, after taking into account the Company's financial performance, short and long term capital requirements, future investment plans, general global and business economic conditions.

For FY2021, no dividend has been recommended as the Group incurred a loss.

Communication with shareholders (Provisions 12.1 to 12.3)

The Company has in place a communication framework that disseminates timely and complete financial data, price-sensitive information and material developments to shareholders. Half yearly and yearly releases of financial results and all other information including presentation materials are first announced on the website of SGX-ST via SGXNet and then posted on the Company's website at <http://www.memoriesgroup.com>, to promote regular, effective and fair communication.

The Company's latest financial results and annual reports are available on its website. There is also a specific "Investor Relations" link and the investor relations contact provided on the Company's website. The Company also issues press releases after the release of significant developments. The Company makes timely disclosures of any new material information on the SGXNet. These filings are also posted on the Company's website, allowing investors to keep abreast of strategic and operational developments.

In February 2020, the Company has announced that it will report its financial results on a half-yearly basis and will continue to comply with the continuing disclosure obligations under the Catalist Rules to keep stakeholders informed of material developments relating to the Company and the Group. In the same announcement, the Company also informed shareholders of the change in its existing financial year end from 31 March to 30 September.

The Company has released its full-year unaudited financial results within 60 days of the FY2021 on 28 November 2021. The Company's financial results are readily available on SGXNet and the Company's website.

CORPORATE

Governance Report

for FY2021

Role of Stakeholders (Provisions 13.1 to 13.3)

The Company values its stakeholders and has affirmed its support of the Ten Principles of the United Nations Global Compact. The Company undertakes an annual review in identifying its material stakeholders. It assesses the material environmental, social and governance factors that affects the Group and its efforts to promote the welfare of its stakeholders is reflected in the Sustainability Report which can be found on Page 24 to Page 29 of this Annual Report. The Company's contact details are provided on the Company's website <https://memoriesgroup.com/> to enable stakeholders to contact the Company.

Interested Person Transactions

The Company has adopted an internal policy governing procedure for the identification, approval and monitoring of interested person transactions. This policy requires Directors to disclose their interest in transactions and any other conflicts of interest and to abstain from participating in Board discussions on a particular agenda when they are conflicted. The Company discloses trading in the Company's shares by its Directors where such trading has taken place.

All interested person transactions are subject to review by the ARMC which determines whether such transactions are not prejudicial to the interest of the Company and its minority shareholders.

Shareholders' approval for the Company's interested person transactions mandate ("Shareholders' Mandate") was obtained at the Extraordinary General Meeting held on 18 December 2017 and took effect from 26 December 2017, and was last renewed at the AGM held on 28 January 2021. The Company is proposing to seek shareholders' approval to renew the Shareholders' Mandate at the forthcoming AGM.

The details of interested person transactions conducted for FY2021 are set out as below:

Name of Interested Person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions the financial period under review which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Leasing IPTs			
Yoma Development Group Limited	Associate of Yoma Strategic Holdings Ltd, Controlling Shareholder of the Company	-	US\$ 105,676
General IPTs			
Hlaing River Golf Club Company Ltd	Associate of Mr. Serge Pun, Executive Chairman of the Company	-	US\$ 313,887
Support Services IPTs			
Yoma Strategic Holdings Ltd	Controlling Shareholder of the Company	-	US\$ 283,391
TOTAL		-	US\$ 702,954

CORPORATE

Governance Report for FY2021

Dealing in Securities

The Company has adopted an internal code on dealings in securities by its officers who have access to price-sensitive or confidential information. Directors and employees of the Company are required to observe this code and adhere to the following rules at all times:

- (a) to observe insider trading laws and avoid potential conflict of interests at all times when dealing in securities;
- (b) not to deal in the Company's shares while in possession of unpublished material price sensitive information;
- (c) not to deal in the Company's shares for short term considerations; and
- (d) not to deal in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's financial statement for each of the first three-quarters of its financial year (if the Company announces its quarterly financial statements, whether required by Singapore Exchange or otherwise), or one (1) month before the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements), and ending on the date of announcement of such results, or when they are in possession of unpublished price-sensitive information on the Company.

The Directors are required to report any dealing in the Company's shares within two (2) business dates of such dealing.

CORPORATE VALUES AND CONDUCT OF BUSINESS

The Company has adopted a Code of Conduct for the Group that all directors and employees, including senior management, are required to comply with. It sets out principles to guide employees in carrying out their duties and responsibilities to the highest standards of personal and corporate integrity when dealing with the Company, its competitors, customers, suppliers and the community. The Code of Conduct is clearly stipulated to guide employees in carrying out their daily tasks. Measures are taken to ensure compliance with the Code of Conduct and breaches of the Code of Conduct will result in disciplinary action.

In line with the Board's commitment to maintain high ethical standards which are integral to the Company's corporate identity and business, the Company also has the following corporate policies in place:-

- (a) Anti-Bribery and Anti-Corruption Policy
- (b) Conflicts of Interest Policy
- (c) Environmental, Health and Safety Policy
- (d) Human Rights Policy
- (e) Land Acquisition Policy

These policies are available on the Company's website at <https://memoriesgroup.com>.

CORPORATE

Governance Report for FY2021

Whistle-Blowing Policy

The Company has approved and implemented a whistle-blowing policy which encourages its employees, in confidence, to raise concerns about possible corporate improprieties in matters of financial reporting and other matters.

Reports under the whistle-blowing policy may be made to the Non-Executive Director, Mr. Tun Tun who is a member of the ARMC. The ARMC is of the view that it is appropriate that such reports are made to Mr. Tun Tun as he is a Myanmar national and is based in Myanmar where Memories Group's business are located. He is also considered independent for this purpose since he is not involved in the business function of the Company and its subsidiaries. He will consider the information made available to him and decide on:

- the creation and constitution of an investigating committee, if necessary;
- the person who will lead the investigation;
- the procedure(s) to be followed; and
- the scope of the concluding report.

All whistle-blowing reports and investigations shall be reported to the ARMC for their attention and further action as necessary.

The Company's whistle-blowing policy assures its employees who make reports in good faith of malpractice or impropriety in the workplace that they will not be dismissed, penalised or discriminated against by the Company as a result of the making of such reports.

Material Contracts

Save as disclosed in this Annual Report, there were no material contracts entered into by the Company involving the interest of the CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2021 or if not then subsisting, entered into since the end of the previous financial year.

Audit Fees

The aggregate amount of audit fees paid/payable to the Company's Independent Auditor, Nexia TS Public Accounting Corporation, for FY2021 was S\$179,000. No non-audit fees were paid/payable to the Independent Auditor for FY2021.

The ARMC considered the adequacy of the resources and experience of the current auditing firm and the audit engagement director assigned to the audit, the firm's other audit engagements, the size and complexity of Memories Group and the number and experience of supervisory and professional staff assigned to the particular audit.

Nexia TS Public Accounting Corporation has confirmed that they are registered with ACRA. The Company is thus in compliance with Catalist Rules 712 and 715 in relation to the appointment of Nexia TS Public Accounting Corporation as the Independent Auditor for the Company's audit obligations for FY2021.

On the bases of the above, the ARMC has recommended to the Board the re-appointment of Nexia TS Public Accounting Corporation as the Independent Auditor of the Company for the financial year ending 30 September 2022.

Non-Sponsor Fee

There were no non-sponsor fees paid/payable to PrimePartners Corporate Finance Pte. Ltd. in FY2021.

DIRECTORS'

Statement

For the financial year ended 30 September 2021

The Directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 30 September 2021 and the statement of financial position of the Company as at 30 September 2021.

In the opinion of the Directors,

- (a) the consolidated financial statements of the Group and the statement of financial position of the Company as set out on pages 68 to 142 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2021 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, subject to the going concern assumptions as set out in Note 3 of the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Directors have on this statement, authorised these financial statements for issue.

DIRECTORS

The Directors of the Company in office as at the date of this statement are as follows:

Mr. Serge Pun @ Theim Wai
 Mr. Basil Chan
 Mr. Tun Tun
 Mr. Robin Lee Chye Beng
 Mr. Pun Chi Yam Cyrus
 Mr. Chan Chun Hung Vincent

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (a) According to the register of Directors' shareholdings, none of the Directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of Director or nominee		Holdings in which Director is deemed to have an interest	
	At 30.09 2021	At 01.10.2020	At 30.09 2021	At 01.10.2020
<u>Number of ordinary shares</u>				
The Company				
Mr. Serge Pun @ Theim Wai	103,000	103,000	209,026,274	209,026,274

- (b) By virtue of Section 7 of the Companies Act (Cap. 50), Mr. Serge Pun @ Theim Wai is deemed to have interests in the whole of the share capital of the Company's subsidiary corporations.
- (c) The Directors' interests in the ordinary shares of the Company as at 21 October 2021 were the same as those as at 30 September 2021.

DIRECTORS'

Statement

For the financial year ended 30 September 2021

PERFORMANCE SHARE PLAN

Memories Performance Share Plan

The Memories Performance Share Plan (the "Memories PSP") was approved by the Company's shareholders at an Extraordinary General Meeting held on 18 December 2017.

The Memories PSP allows the Company to target specific performance objectives and to provide an incentive for eligible participants to achieve these targets, which ultimately, will create and enhance economic value for shareholders. Through the Memories PSP, the Company will be able to motivate eligible participants to continue to strive for the Group's long-term prosperity. In addition, the Memories PSP aims to foster an ownership culture within the Group.

Under the Memories PSP, the award of fully-paid shares, free of charge (the "Award") to eligible participants will be determined at the absolute discretion of the Remuneration Committee ("RC") which will oversee and administer the Memories PSP, provided that no member of the RC shall participate in any deliberation or decision in respect of Awards granted or to be granted to him. In considering the grant of an Award to a participant, the RC shall take into account (where applicable) criteria such as the rank, scope of responsibilities, performance, years of services and potential for future development of the participant. The length of the vesting period in respect of each Award will be determined by the RC on a case-by-case basis taking into consideration the length of service of the participant and the need to retain the participant so as to encourage him/her to continue serving the Group for a further period even after having satisfied the performance target. No minimum vesting periods are prescribed under the Memories PSP. The criteria and terms of the Awards will be applied consistently to all participants including the controlling shareholders and their associates.

The aggregate number of shares over which the RC may grant under the Memories PSP on any date, when aggregated with any other share-based incentive scheme, shall not exceed 15% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) from time to time.

There were no Awards granted to controlling shareholders of the Company or their associates (as defined in the SGX-ST Listing Manual Section B: Rules of Catalist) and no participant has received 5% or more of the total number of shares available under the Memories PSP during the financial year ended 30 September 2021.

On 4 April 2018 ("Date of Grant"), the Company granted an Award for an aggregate of 1,000,000 shares (the "Shares Award") to the then Chief Executive Officer of the Company, Mr. Georges Michel Novatin, pursuant to the Memories PSP. As Mr. Georges Michel Novatin ceased to be Chief Executive Officer of the Company on 31 January 2019, 50% of the Shares Award was forfeited during the financial year ended 31 March 2019. On 30 April 2019, 500,000 shares being the balance 50% of the Shares Award were released to Mr. Georges Michel Novatin.

The fair value of the share awards released, granted and vested, determined based on the closing price of the Company's shares as quoted on the SGX-ST as at the date of grant was estimated to be US\$72,000.

There were no performance shares awards granted to employee and Non-Executive Directors of the Company for the financial year ended 30 September 2021.

SHARE OPTIONS

The Company has not adopted any share option plans.

DIRECTORS'

Statement

For the financial year ended 30 September 2021

AUDIT AND RISK MANAGEMENT COMMITTEE

The members of the Audit and Risk Management Committee (the "ARMC") at the end of the financial year were as follows:

Mr. Basil Chan (Chairman)
Mr. Robin Lee Chye Beng
Mr. Tun Tun

Majority of the members of the ARMC were independent and non-executive directors.

The ARMC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act (Cap 50). In performing those functions, the ARMC reviewed:

- the scope and the results of internal audit procedures with the internal auditor;
- the audit plan and the audit findings of the Company's independent auditor and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditor and the internal auditor; and
- the statement of financial position of the Company as at 30 September 2021 and the consolidated financial statements of the Group for the financial year ended 30 September 2021 before their submission to the Directors as well as the independent auditor's report on the consolidated financial statements of the Group and the statement of financial position of the Company.

The ARMC has recommended to the Directors that the independent auditor, Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

Independent auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the Directors

Mr. Serge Pun @ Theim Wai
Director

Mr. Pun Chi Yam Cyrus
Director

11 January 2022

INDEPENDENT

Auditor's Report

to the Members of Memories Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Memories Group Limited (the "Company") and its subsidiary corporations (the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies set out on pages 68 to 142.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis of Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainties Related to Going Concern, and Disclosure in Relation to the Effects of the Coronavirus-19 ("Covid-19") Pandemic and Political Events in Myanmar

We draw attention to Note 3 to the financial statements, which describes the economic consequences the Group is facing as a result of the Covid-19 pandemic and political events in Myanmar that have caused a severe impact on the tourism sector, the main business operations of the Group. The basis of the going concern assumption used by the Directors in the preparation of the consolidated financial statements of the Group for the financial year ended 30 September 2021 has taken into consideration the impact of the Covid-19 pandemic and political events in Myanmar.

Since the last financial period ended 30 September 2020, the Covid-19 pandemic continued to have significant impact on local and world economies. On 1 February 2021, Myanmar's military announced the State of Emergency and took over the government ("Political Event"). The on-going Covid-19 pandemic and the political unrest have negatively impacted the Group's performance during the current financial year.

At the date of this report, there are material uncertainties related to the timing of the expected recovery and the extent of the impact of the Covid-19 pandemic and political events on the Group's operations and performance. As a result, the Group has incurred net loss and net cash used in operating activities for the financial year ended 30 September 2021 of US\$2.75 million and US\$1.73 million respectively.

INDEPENDENT

Auditor's Report

to the Members of Memories Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Material Uncertainties Related to Going Concern, and Disclosure in Relation to the Effects of the Coronavirus-19 ("Covid-19") Pandemic and Political Events in Myanmar (continued)

In addition, the Group's current liabilities amounting to US\$22.99 million as at 30 September 2021, including borrowings of US\$4.85 million and convertible bonds of US\$3.53 million are due for repayment within twelve months from the end of the financial year. The Group's current assets amounting to US\$2.32 million as at 30 September 2021, including the unrestricted cash and cash equivalents amount of US\$0.13 million may be insufficient to fulfil these obligations at the relevant repayment dates, notwithstanding the fact that the Group has non-current assets as at 30 September 2021 amounting to US\$67.99 million.

These events or conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Nevertheless, the Directors of the Company believe that the use of the going concern assumption in the preparation of the consolidated financial statements of the Group for the financial year ended 30 September 2021 is appropriate after taking into consideration the following measures and assumptions:

- (i) As at 30 September 2021, the Group was in a net current liabilities position of US\$20.67 million mainly arising from trade payables for the development cost of Awei Metta Hotel, Awei Pila Hotel and Hotel Suggati Mawlamyaing (Hotels Segment). Of this amount, US\$6.66 million relates to non-trade payables due to related parties and US\$14.01 million comprises payables to third-party creditors, convertible bonds holder and the current portion of borrowings. The Group had obtained written confirmations from these related parties not to demand for repayments of the non-trade payables due to related parties of US\$6.66 million within the next 12 months;
- (ii) The Group has unutilised credit facilities that is available to the Group for drawdown, if required, which included US\$0.26 million from a secured loan, US\$1.08 million from an unsecured loan and US\$1.00 million from Myanmar Outlook Investment Company Limited;
- (iii) A non-binding term sheet for US\$10 million convertible loan which had been executed with its substantial shareholder, First Myanmar Investment Public Company Limited ("FMI"), in December 2020. This term sheet does not have an expiry date and is subject to, inter alia, entry into a definitive agreement and applicable approvals being sought. FMI has indicated its intention to provide continuing financial support to enable the Group to meet its obligation as and when they fall due;
- (iv) Given the events of the last 12 months in Myanmar, the Group had not met its loan obligations for certain secured loans amounting to US\$0.25 million as at 30 September 2021. There were no acceleration of repayments and no notifications from the lenders for the affected loans to be settled on demand basis. The Group has been and continues to be in active discussion with the lenders to extend/revise the loan repayment schedules for loans amounting to US\$5.21 million. In addition, the Group has also obtained approval from a bank to capitalise interest expense of MMK2.45 billion (equivalent to approximately US\$1.32 million) as additional principal drawdown from existing loan facilities with the same terms. In view of the ongoing negotiations with the lenders, the Directors are of the opinion that the foregoing default is not expected to have a significant impact on the operations of the Group and will not result in the Group facing cash flow difficulties;
- (v) The Group is currently in discussions with its convertible bondholder, Oakfame Investment Limited, to extend the maturity date of the convertible bond amounting to US\$3.19 million by 18 months to 26 November 2023;

INDEPENDENT

Auditor's Report

to the Members of Memories Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Material Uncertainties Related to Going Concern, and Disclosure in Relation to the Effects of the Coronavirus-19 ("Covid-19") Pandemic and Political Events in Myanmar (continued)

- (vi) The Group will continue to engage in negotiations with creditors individually regarding deferred repayment plans, implement further cost reduction initiatives, defer non-essential capital and operating expenditure in order to preserve working capital and liquidity and to monitor the situation so as to adapt its response to developments as they arise during this time of severe macroeconomic uncertainties. Furthermore, in addition to the voluntary salary reductions undertaken by senior management since April 2020, the Group has reduced its manpower in FY2021 and implemented additional salary reductions which led to 54% reduction in salary and wages in FY2021. Going forward, the Group expects the foregoing efforts to continue to reduce its operating expenses for FY2022; and
- (vii) The Group continues to explore the sale of non-core assets and other fund-raising options.

In the event that the Group and the Company are unable to continue as going concerns, adjustments may have to be made to reflect the situation that assets may need to realise other than in the amounts at which they are currently recorded in the statement of financial position. In addition, the Group may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current. Our opinion is not modified in respect of this matter.

Key Audit Matters

The key audit matters are those matters that, in our professional judgement, were of most significant in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern, and Disclosure in Relation to the Effects of the Coronavirus-19 ("Covid-19") Pandemic and Political Events in Myanmar section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of goodwill and intangible assets with indefinite useful lives (trademark and brand name)

See accounting policies in Note 2.8 (a) and significant accounting estimates in Note 4(a)

Refer to Note 18(f) to the financial statements

Area of focus

The Group recognises goodwill and intangible assets with indefinite useful lives (trademark and brand name) from acquisition of businesses in the prior financial years and allocated these assets to the respective cash-generating units ("CGUs") at the respective acquisition dates.

These CGUs are tested for impairment annually. Management applies the value-in-use (discounted cash flow) method to determine the recoverable amount of each CGU. Any shortfall of the recoverable amounts against the carrying amounts is recognised as impairment losses.

As at 30 September 2021, management performed impairment assessment on the following goodwill and intangible assets with indefinite useful lives:

- Goodwill on services segment of US\$1.40 million;
- Goodwill on hotels segment of US\$1.24 million;
- Trademark attributable to services segment of US\$1.06 million; and
- Brand name attributable to experiences segment of US\$0.06 million.

INDEPENDENT

Auditor's Report

to the Members of Memories Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

Impairment of goodwill and intangible assets with indefinite useful lives (trademark and brand name) (continued)

Area of focus (continued)

The recoverable amounts are determined based on estimates of forecasted revenues, growth rates, profit margins and discount rates. Based on the impairment test, management recognised impairment charge of US\$1.40 million on goodwill and US\$0.39 million on intangible assets with indefinite useful lives respectively as at 30 September 2021.

We considered the audit of management's impairment assessment of these assets to be a key audit matter due to the magnitude of the amounts recognised in the financial statements. In addition, there is a high degree of estimation uncertainty inherent in estimating the duration and severity of the economic downturn caused by the Covid-19 pandemic and political events in Myanmar, and the pattern of any expected recovery. As a result, the estimates and assumptions used in the cashflow projections which form the basis of the recoverable amounts attributable to the CGUs require significant judgements. These judgements require estimates to be made over forecasted revenue, growth rates, profit margins and discount rates for each CGU.

How our audit addressed the matter

We held discussions with management to understand the basis of the assumptions used in forming the estimates underpinning the assessment of the recoverable amount of the CGUs and outlook of the industries in which the CGUs operate, including the impact of the Covid-19 pandemic and the political events have on Myanmar tourism, to understand the possible recovery scenarios. These estimates include those relating to forecasted revenue, growth rates, profit margins and discount rates.

We challenged management's estimates applied in the value-in-use model based on our knowledge of the respective CGUs' operations, and compared them against actual results, historical forecasts and performance, market data and industry trend. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers and review of secured and lost bookings. We have involved our internal valuation specialists to assist in the assessment of the appropriateness of the methodology used to compute the recoverable amounts and the discount rate applied by management.

We evaluated management's sensitivity analysis and assessed whether reasonable changes in the key assumptions for any of the Group's CGUs would cause the carrying amounts to exceed the recoverable amounts. This includes consideration of the impact of the Covid-19 pandemic and the political events and the impact to the headroom, breakeven analysis and independently derived discount rates applied. We assessed the arithmetical accuracy of the computations used in assessing the recoverable amount of the respective CGUs.

We also reviewed the adequacy of the disclosures made in relation to the impairment assessment of goodwill and intangible assets with indefinite useful lives (trademark and brand name) in the financial statements.

INDEPENDENT

Auditor's Report

to the Members of Memories Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

Impairment of investments in subsidiary corporations, property, plant and equipment and other intangible assets

See accounting policies in Note 2.8 (b) and significant accounting estimates in Note 4(b)

Refer to Note 15, Note 16 and Note 18 (a) to the financial statements

Area of focus

As at 30 September 2021, the carrying amounts of the Group's and the Company's non-financial assets (other than goodwill and intangible assets with indefinite useful lives) are as follows:

- Investments in subsidiary corporations of US\$67.48 million;
- Property, plant and equipment on services segment of US\$0.31million;
- Property, plant and equipment on experiences segment of US\$9.22 million;
- Property, plant and equipment on hotels segment of US\$37.57 million; and
- Customer relationship attributable to services segment of US\$0.07 million.

Management determines at the end of each reporting period the existence of any objective evidence that indicates the above non-financial assets may be impaired. If there are indicators of impairment, a detailed impairment assessment would be performed and any deficit between the recoverable amounts and the carrying values would be recognised in profit or loss.

The identification of different CGUs, assessment of indicators of impairment and where such indicators exist, the determination of the recoverable amounts of the CGUs, requires judgement. The determination of the recoverable amounts when value-in-use is applicable requires estimates of forecasted revenue, growth rates, profit margins and discount rates.

As a result of the Covid-19 pandemic and political events explained above, the tourism industry in Myanmar, which is the main business operations of the Group, had been severely affected during the current financial year. Management has performed impairment assessment for these non-financial assets. Based on the impairment test, the recoverable amounts of the Group's property, plant and equipment and the Company's investments in subsidiary corporations exceed their respective carrying amounts, accordingly no impairment charge is recognised as at 30 September 2021.

Due to the high degree of estimation uncertainty inherent in assessing the duration and severity of the economic downturn caused by the Covid-19 pandemic and the pattern of any expected recovery, the estimates and assumptions used in the cashflow projections to determine the recoverable amounts of the respective CGUs require significant judgement. This is a key area of focus for our audit.

How our audit addressed the matter

We assessed the determination of the CGUs and the assessment of indicators of impairment based on our understanding of the nature of the Group's business and the economic environment in which the respective CGUs operate.

We obtained an understanding of the outlook of the Myanmar tourism industry, including the impact of the Covid-19 pandemic has, to understand the possible recovery scenarios. We reviewed the CGUs' historical and current performance, and held discussions with management to understand their assessment of the future performance of the CGUs.

INDEPENDENT

Auditor's Report

to the Members of Memories Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Impairment of investments in subsidiary corporations, property, plant and equipment and other intangible assets (continued)

Where indicators of impairment exist, we challenged management's estimates applied in the value-in-use model based on our knowledge of the CGUs' operations, and compared them against, actual results, historical forecasts and performance, market data and industry trend. This included obtaining an understanding of management's planned strategies around business expansion, revenue stream growth strategies and cost initiatives, the progress of negotiations with target customers and review of secured and lost bookings. We have involved our internal valuation specialists to assist in the assessment of the appropriateness of the methodology used to compute the recoverable amounts and the discount rate applied by management.

We evaluated management's sensitivity analysis and assessed whether reasonable changes in the key assumptions for any of the Group's CGUs would cause the carrying amounts to exceed the recoverable amounts. This includes consideration of the impact of the COVID-19 pandemic and the political events impact to the headroom, breakeven analysis and independently derived discount rates applied. We assessed the arithmetical accuracy of the computations used in assessing the recoverable amount of the respective CGUs.

We also reviewed the adequacy of the disclosures made in relation to the impairment assessment of the Company's investments in subsidiary corporations and the Group's property, plant and equipment and customer relationship in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT

Auditor's Report

to the Members of Memories Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT

Auditor's Report

to the Members of Memories Group Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

The engagement director on the audit resulting in this independent auditor's report is Mr. Loh Ji Kin.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore

11 January 2022

CONSOLIDATED STATEMENT OF

Comprehensive Income

For the financial year ended 30 September 2021

	Note	Group	
		For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Revenue	5	2,095	10,523
Cost of sales		(1,395)	(6,559)
Gross profit		700	3,964
Other losses - net	7	(2,782)	(14,743)
Loss allowance - net			
- Trade receivables	30(b)	(36)	(145)
- Other receivables	30(b)	(81)	-
		(117)	(145)
Expenses			
- Administrative		(6,693)	(15,387)
- Distribution and marketing		(51)	(506)
- Finance - net (foreign currency exchange gains/losses)	8	6,155	(9,154)
Loss before income tax		(2,788)	(35,971)
Income tax credit	10(a)	40	4
Net loss, representing total comprehensive loss attributable to equity holders of the Company		(2,748)	(35,967)
Loss per share attributable to equity holders of the Company (Cents per share)			
- Basic	11(a)	(0.55)	(7.16)
- Diluted	11(b)	(0.55)	(7.16)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF

Financial Position

For the financial year ended 30 September 2021

	Note	Group		Company	
		2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
ASSETS					
Current assets					
Cash and bank balances	12	130	406	36	91
Trade and other receivables	13	1,956	2,469	13,462	13,117
Inventories	14	237	220	-	-
		2,323	3,095	13,498	13,208
Non-current assets					
Investment in subsidiary corporations	15	-	-	67,482	67,482
Property, plant and equipment	16	47,098	49,814	-	-*
Investment properties	17	16,100	17,350	-	-
Intangible assets	18	2,045	3,941	-	-
Financial assets, at fair value through profit or loss ("FVPL")	19	2,209	2,414	-	-
Other receivables	13	540	763	-	-
		67,992	74,282	67,482	67,482
Total assets		70,315	77,377	80,980	80,690
LIABILITIES					
Current liabilities					
Trade and other payables	20	14,221	13,403	15,888	15,242
Borrowings	22	4,850	3,051	-	-
Convertible bonds	23	3,534	-	3,534	-
Current income tax liabilities	10(b)	385	394	-	-
		22,990	16,848	19,422	15,242
Non-current liabilities					
Borrowings	22	22,879	29,927	-	-
Convertible bonds	23	-	3,374	-	3,374
Provisions	24	105	92	-	-
Deferred income tax liabilities	25	2,178	2,225	-	-
		25,162	35,618	-	3,374
Total liabilities		48,152	52,466	19,422	18,616
Net assets		22,163	24,911	61,558	62,074
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	84,544	84,544	84,839	84,839
Other reserves	28	(19,558)	(19,558)	585	585
Accumulated losses		(42,823)	(40,075)	(23,866)	(23,350)
Total equity		22,163	24,911	61,558	62,074

* - amount less than US\$1,000

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF

Changes in Equity

For the financial year ended 30 September 2021

Note	Attributable to equity holders of the Company							Total equity US\$'000
	Share capital US\$'000	Capital reserve US\$'000	Merger reserve US\$'000	Translation reserve US\$'000	Performance share reserve US\$'000	convertible bonds US\$'000	Accumulated losses US\$'000	
2021								
	84,544	566	(20,190)	-	-	66	(40,075)	24,911
Balance as at 1 October 2020								
Total comprehensive loss for the financial year	-	-	-	-	-	-	(2,748)	(2,748)
Balance as at 30 September 2021	84,544	566	(20,190)	-	-	66	(42,823)	22,163
2020								
Balance as at 1 April 2019	84,472	566	(20,190)	(2,498)	72	-	(1,610)	60,812
Issuance of new shares	72	-	-	-	(72)	-	-	-
Effect of change in functional currency of subsidiary corporation	-	-	-	2,498	-	-	(2,498)	-
Equity component of convertible bonds	-	-	-	-	-	66	-	66
Total comprehensive loss for the financial period	-	-	-	-	-	-	(35,967)	(35,967)
Balance as at 30 September 2020	84,544	566	(20,190)	-	-	66	(40,075)	24,911

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF

Cash Flow

For the financial year ended 30 September 2021

	Note	Group	
		For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Cash flows from operating activities			
Net loss		(2,748)	(35,967)
Adjustments for:			
- Income tax credit	10(a)	(40)	(4)
- Interest income from other receivables	7	(75)	(130)
- Depreciation of property, plant and equipment	6	2,486	4,281
- Amortisation of intangible assets	6	107	161
- Loss allowance	30(b)	117	145
- Impairment loss on goodwill	7	1,400	5,135
- Impairment loss on intangible assets	7	391	-
- Impairment loss on property, plant and equipment	7	-	9,639
- Fair value loss on financial assets, at FVPL	7	205	776
- Fair value loss/(gain) on investment properties	7	1,250	(402)
- (Gain)/loss on disposal of property, plant and equipment	7	(126)	18
- Interest expense	8	3,850	5,378
- Unrealised currency translation (gains)/losses		(9,778)	3,637
		(2,961)	(7,333)
Changes in working capital			
- Inventories		(17)	(36)
- Trade and other receivables		471	294
- Trade and other payables		792	2,915
Cash used in from operations		(1,715)	(4,160)
Income tax paid	10(b)	(16)	(230)
Net cash used in operating activities		(1,731)	(4,390)
Cash flows from investing activities			
Payment of consideration for acquisition of business	20	-	(2,324)
Additions to property, plant and equipment		(3)	(1,016)
Additions to intangible assets		(2)	-
Proceeds from disposal of property, plant and equipment		36	6
Net cash provided by/(used in) investing activities		31	(3,334)
Cash flows from financing activities			
Proceeds from borrowings		7,749	11,003
Interest paid		(3,653)	(5,000)
Repayment of borrowings		(2,669)	(130)
Net cash provided by financing activities		1,427	5,873
Net decrease in cash and cash equivalents		(273)	(1,851)
Cash and cash equivalents			
Beginning of financial year/period		406	2,265
Effects of currency translation on cash and cash equivalents		(3)	(8)
End of financial year/period	12	130	406

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF

Cash Flow

For the financial year ended 30 September 2021

Reconciliation of liabilities arising from financing activities:

1 October 2020	Non-cash changes					30 September 2021	
	US\$'000	Proceeds from borrowings US\$'000	Principal and interest payment US\$'000	Terminate during the financial year US\$'000	Addition during the financial year US\$'000		Foreign exchange movement US\$'000
31,332	7,749	(6,022)	-	-	(9,991)	3,466	26,534
1,646	-	(300)	(1,204)	880	(14)	187	1,195
3,374	-	-	-	-	-	160	3,534
701	-	-	-	-	-	24	725

1 April 2019	Non-cash changes					30 September 2020	
	US\$'000	Proceeds from borrowings US\$'000	Principal and interest payment US\$'000	Adoption of SFRS(I) 16 US\$'000	Addition during the financial year US\$'000		Foreign exchange movement US\$'000
16,553	11,003	(4,667)	-	-	3,727	4,716	31,332
-	-	(463)	1,702	71	3	333	1,646
-	-	-	-	3,124	-	250	3,374
622	-	-	-	-	-	79	701

Non-cash transactions:

On 15 May 2019, the Group acquired financial assets classified as at FVPL amounted to US\$3,190,000 by way of the issuance of unlisted convertible bonds in aggregate amount of US\$3,190,000 at a coupon rate of 5% per annum.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

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

1. GENERAL INFORMATION

Memories Group Limited (formerly known as SHC Capital Asia Limited) (“the Company”) is listed on the Catalist of the Singapore Exchange Securities Trading Limited and incorporated and domiciled in Singapore. The address of its registered office is 63 Mohamed Sultan Road #02-14 Sultan-Link Singapore 239002.

The principal activities of the Company are that of head and regional head office, centralised administrative office and subsidiary corporation management. The principal activities of subsidiary corporations are disclosed in Note 15 of the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)s”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I)s 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 and Note 4.

Interpretations and amendments to published standard effective in 2020

On 1 October 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) (“INT SFRS(I)”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue

Revenue is recognised when a customer obtains control of a good or service in the contract. A customer obtains control when it has the ability to direct the use of and obtain the benefit from the good or service. This may be at a single point in time or over a period of time.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 Revenue (continued)

SFRS(I) 15 Revenue from Contracts with Customers identifies the following three situations in which control of the promised good or service is regarded as being transferred over time:

- When the customer simultaneously receives and consumes the benefits provided by the entity's performance, the entity performs;
- When the entity's performance creates or enhances an asset (for example work in progress) that the customer control as the asset is created or enhanced; or
- When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of the above situations, the entity shall recognise revenue for sale of good or service at a single point in time, being when control has passed. There is judgement involved in determining when revenue should be recognised.

Revenue arising from destination management, cruise service and accommodation are recognised over a period of time as the customer simultaneously receives and consumes all of the benefit provided by the Group's performance as it performs.

Interest income is recognised using the effective interest method.

2.3 Group accounting

(a) *Subsidiary corporations*

(i) *Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations 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 subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity, and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(a) *Subsidiary corporations (continued)*

(ii) *Acquisitions*

Business combinations involving entities under common control are accounted for by applying the pooling-of-interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity acquired is reflected within the equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

The acquisition method of accounting is used to account for all other business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill. The excess of (a) fair value of the identifiable net assets acquired over (b) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree is recognised as gain on bargain purchase in profit or loss.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Group accounting (continued)

(a) *Subsidiary corporations (continued)*

(iii) *Disposals*

When a change in the Group's ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specified Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations" for the accounting policy on investments in subsidiary corporations in the Statement of Financial Position of the Company.

(b) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

2.4 Property, plant and equipment

(a) *Measurement*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and 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.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Property, plant and equipment (continued)

(b) Depreciation

The freehold land is not depreciated. Depreciation of other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Land and buildings	29 - 50 years
Machinery, facilities and equipment	10 years
Renovation	3 years
Motor vehicles	4 years
Furniture and office equipment	3 - 5 years
Hot air balloons and equipment	6 years
Yacht and vessels	10 years
ROU assets - property	2 - 5 years
ROU assets - motor vehicle	3 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

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

(c) Provision for dismantlement, removal or restoration

The initial estimate of the cost of dismantlement, removal or restoration is recognised as part of the cost of property, plant and equipment if such obligation is incurred as a consequence of using the asset during a particular period for purposes other than to produce inventories during that period.

(d) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in profit or loss when incurred.

(e) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other losses - net".

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Investment properties

Investment properties include land development rights under operating leases that are held for long-term capital appreciation or for a currently indeterminate use.

Investment properties are initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and best use basis. Changes in fair values are recognised in profit or loss.

Investment properties are subject to improvements as and when required. The cost of major improvements is capitalised. The cost of maintenance and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.6 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gain and losses on the disposal of subsidiary corporations include the carrying amount of goodwill relating to the entity sold.

(b) Customer relationship

Customer relationship acquired in a business combination is initially recognised at fair value at the acquisition date. Customer relationship has a finite useful life and is carried at less accumulated amortisation and are assessed for impairment whenever there is an indication that the asset is impaired. Amortisation is calculated using straight-line method over the estimated use life of five years.

(c) Trademark

Trademark acquired in business combination is recognised separately at fair value at the acquisition date and carried at cost less accumulated impairment losses.

(d) Brand name

Brand name acquired in business combination is recognised separately at fair value at the acquisition date and carried at cost less accumulated losses.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Investments in subsidiary corporations

Investments in subsidiary corporations are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.8 Impairment of non-financial assets

(a) Goodwill

Intangible assets with indefinite useful lives (trademark and brand name)

Goodwill and intangible assets with indefinite useful lives (trademark and brand name) recognised separately as intangible assets are tested for impairment annually and whenever there is indication that the goodwill or intangible assets with indefinite useful lives (trademark and brand name) may be impaired.

For the purpose of impairment testing of goodwill and intangible assets with indefinite useful lives (trademark and brand name), goodwill and intangible assets with indefinite useful lives (trademark and brand name) are allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill and intangible assets with indefinite useful lives (trademark and brand name), exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent year. An impairment loss for intangible assets with indefinite useful lives is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Impairment of non-financial assets (continued)

- (b) *Other intangible assets*
Property, plant and equipment
Investment in subsidiary corporations

Other intangible assets, property, plant and equipment and investment in subsidiary corporations are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

2.9 Financial assets

- (a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised costs; and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Financial assets (continued)

(a) *Classification and measurement (continued)*

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset:

Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(ii) *Equity investments*

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the year in which the changes arise and presented in "Other losses - net", except for those equity securities which are not held for trading. Dividends from equity investments are recognised in profit or loss as "dividend income".

(b) *Impairment*

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The credit risk note details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Note 30(b) to the financial statements provides further disclosure on the impairment policy.

(c) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.11 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings. Intra-Group transactions are eliminated on consolidation.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- (a) amount initially recognised less the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15; and
- (b) the amount of expected loss allowance computed using the impairment methodology under Note 2.11.

The unrecognised financial guarantees are disclosed as contingent liabilities in the financial statements.

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

(a) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the year of the borrowings using the effective interest method.

(b) Convertible bonds

The total proceeds from convertible bonds issued are allocated to the liability component and the equity component, which are separately presented on the statement of financial position.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible bonds. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the bonds.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent years.

When the conversion option is exercised, its carrying amount is transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of reporting date which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.14 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised costs approximate their carrying amounts.

2.15 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

Right-of-use assets which meets the definition of an investment property are presented within "Investment properties" and accounted for in accordance with Note 2.5.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Leases (continued)

When the Group is the lessee: (continued)

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments consist of the fixed payment (including in-substance fixed payments), less any lease incentives receivables.

For a contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.16 Borrowing costs

Borrowing costs are recognised in profit or loss using effective interest method.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Inventories

Inventories consist of consumables, food and beverages which are purchased for the purpose of sale and use in the ordinary course of business.

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average basis. Costs include all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Costs of purchase comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. The amount of any write-down of inventories to net realisable value shall be recognised as an expense in the period the write-down occurs. The amount of any reversal of write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the year in which the reversal occurs.

2.18 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Income taxes (continued)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The Group recognises the estimated liability to restoration of right-of use asset still under warranty at the reporting date. This provision is calculated based on historical experience of the level of repairs and replacements.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

2.20 Employee Compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund in Singapore and the Social Security Board in Myanmar on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) *Bonus plan*

The Group recognises a liability and an expense for bonuses when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Employee Compensation (continued)

(c) *Performance share plan*

The Group operates an equity-settled, share-based compensation plan – performance share plan.

The values of the employee services received in exchange for the shares are recognised as expenses with a corresponding increase in the performance share reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the shares granted on the grant rate. Non-market vesting conditions are included in the estimation of the number of shares that are expected to be issued on the vesting date. At each reporting date, the Group revises its estimates of the number of shares that are expected to be issued on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the performance share reserve over the remaining vesting period.

When shares are issued through issuance of new ordinary shares, the performance share reserve are credited to share capital account or to the treasury shares account, when treasury shares are re-issued to the employee.

(d) *Termination benefits*

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when the Group can no longer withdraw the offer of those benefits.

2.21 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts (if any) are presented as current borrowings on the statement of financial position.

2.22 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.23 Currency translation

(a) *Functional and presentation currency*

Items included in the consolidated financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in United States Dollar (“US\$”), which is the functional currency of the Company and all values have been rounded to the nearest thousand (US\$'000) unless otherwise stated. The functional currencies of the group subsidiary corporations are also US\$.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Currency translation (continued)

(b) *Transactions and balances*

Transactions denominated in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

Foreign exchange gains and losses that relate to borrowings are presented in profit or loss within "finance expense". All other foreign exchange gains and losses impacting profit or loss are presented in profit or loss within "other income/(losses), net".

2.24 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. GOING CONCERN

Since the last financial period ended 30 September 2020, the Covid-19 pandemic continued to have significant impact on local and world economies. On 1 February 2021, Myanmar's military announced the State of Emergency and took over the government ("Political Event"). The on-going Covid-19 pandemic and the political unrest have negatively impacted the Group's performance during the current financial year.

At the date of these financial statements, there are material uncertainties related to the timing of the expected recovery and the extent of the impact of the Covid-19 pandemic and political events on the Group's operations and performance. As a result, the Group has incurred net loss and net cash used in operating activities for the financial year ended 30 September 2021 of US\$2.75 million and US\$1.73 million (for the 18-month financial period ended 30 September 2020: US\$35.97 million and US\$4.39 million) respectively.

In addition, the Group's current liabilities amounting to US\$22.99 million (2020: US\$16.85 million) as at 30 September 2021, including borrowings of US\$4.85 million (2020: US\$3.05 million) and convertible bonds of US\$3.53 million (2020: nil) are due for repayment within twelve months from the end of the financial year/period. The Group's current assets amounting to US\$2.32 million (2020: US\$3.10 million) as at 30 September 2021, including the unrestricted cash and cash equivalents amount of US\$0.13 million (2020: US\$0.41 million) may be insufficient to fulfil these obligations at the relevant repayment dates, notwithstanding the fact that the Group has non-current assets as at 30 September 2021 amounting to US\$67.99 million (2020: US\$74.28 million).

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

3. GOING CONCERN (CONTINUED)

These events or conditions indicate the existence of material uncertainties that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Nevertheless, the Directors of the Company believe that the use of the going concern assumption in the preparation of the consolidated financial statements of the Group for the financial year ended 30 September 2021 is appropriate after taking into consideration the following measures and assumptions:

- (i) As at 30 September 2021, the Group was in a net current liabilities position of US\$20.67 million mainly arising from trade payables for the development cost of Awei Metta Hotel, Awei Pila Hotel and Hotel Suggati Mawlamyaing (Hotels Segment). Of this amount, US\$6.66 million relates to non-trade payables due to related parties and US\$14.01 million comprises payables to third-party creditors, convertible bonds holder and the current portion of borrowings. The Group had obtained written confirmations from these related parties not to demand for repayments of the non-trade payables due to related parties of US\$6.66 million within the next 12 months;
- (ii) The Group has unutilised credit facilities that is available to the Group for drawdown, if required, which included US\$0.26 million from a secured loan, US\$1.08 million from an unsecured loan and US\$1.00 million from Myanmar Outlook Investment Company Limited;
- (iii) A non-binding term sheet for US\$ 10 million convertible loan which had been executed with its substantial shareholder, First Myanmar Investment Public Company Limited ("FMI"), in December 2020. This term sheet does not have an expiry date and is subject to, inter alia, entry into a definitive agreement and applicable approvals being sought. FMI has indicated its intention to provide continuing financial support to enable the Group to meet its obligation as and when they fall due;
- (iv) Given the events of the last 12 months in Myanmar, the Group had not met its loan obligations for certain secured loans amounting to US\$0.25 million as at 30 September 2021. There were no acceleration of repayments and no notifications from the lenders for the affected loans to be settled on demand basis. The Group has been and continues to be in active discussion with the lenders to extend/revise the loan repayment schedules for loans amounting to US\$5.21 million. In addition, the Group has also obtained approval from a bank to capitalise interest expense of MMK2.45 billion (equivalent to approximately US\$1.32 million) as additional principal drawdown from existing loan facilities with the same terms. In view of the ongoing negotiations with the lenders, the Directors are of the opinion that the foregoing default is not expected to have a significant impact on the operations of the Group and will not result in the Group facing cash flow difficulties;
- (v) The Group is currently in discussions with its convertible bondholder, Oakfame Investment Limited, to extend the maturity date of the convertible bond amounting to US\$3.19million by 18 months to 26 November 2023;
- (vi) The Group will continue to engage in negotiations with creditors individually regarding deferred repayment plans, implement further cost reduction initiatives, defer non-essential capital and operating expenditure in order to preserve working capital and liquidity and to monitor the situation so as to adapt its response to developments as they arise during this time of severe macroeconomic uncertainties. Furthermore, in addition to the voluntary salary reductions undertaken by senior management since April 2020, the Group has reduced its manpower in FY2021 and implemented additional salary reductions which led to 54% reduction in salary and wages in FY2021. Going forward, the Group expects the foregoing efforts to continue to reduce its operating expenses for FY2022; and
- (vii) The Group continues to explore the sale of non-core assets and other fund-raising options.

In the event that the Group and the Company are unable to continue as going concerns, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the amounts at which they are currently recorded in the statement of financial position. In addition, the Group may have to provide for further liabilities that might arise and to reclassify non-current assets and liabilities as current.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Impairment of goodwill and intangible assets with indefinite useful lives (trademark and brand name)*

Goodwill and intangible assets with indefinite useful lives (trademark and brand name) are tested for impairment annually and whenever there is indication that the goodwill and intangible assets with indefinite useful lives (trademark and brand name) may be impaired. In performing the impairment assessment of the carrying amount of goodwill and intangible assets with indefinite useful lives (trademark and brand name), the recoverable amounts of cash-generating units ("CGUs") in which goodwill and intangible assets with indefinite useful lives (trademark and brand name) have been attributable to, are determined using value-in-use ("VIU") calculation. The carrying amounts of the Group's goodwill, trademark and brand name at the end of the reporting date are disclosed in Note 18(b), Note 18(c) and Note 18(d) respectively.

Significant judgements are used to estimate the forecasted revenue, gross margin, weighted average growth rates and pre-tax discount rates applied in computing the recoverable amounts of the different CGUs. In making these estimates, management has relied on past performance, its expectations of market developments in Myanmar and the industry trends in the hospitality industry. Specific estimates are disclosed in Note 18(g).

Management has assessed that the recoverable amounts (i.e. VIU) of the CGUs are lower than the carrying values of the CGUs, and impairment losses of goodwill amounting to US\$1,400,000 (2020: US\$5,135,000) and intangible assets with indefinite useful lives amounting to US\$391,000 (2020: nil) respectively are recognised accordingly [Note 18(b) and Note 18(c)].

(b) *Impairment of other non-financial assets*

Other non-financial assets such as investments in subsidiary corporations, property, plant and equipment and intangible assets (with definite useful lives) are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. In determining the recoverable value, an estimate of expected future cash flows from each asset or CGU and an appropriate discount rate is required to be made. An impairment exists when the carrying amount of an asset or CGU exceeds its recoverable amount, which is the higher of fair value less costs to sell and its VIU. The carrying amounts of the Company's investments in subsidiary corporations and the Group's property, plant and equipment and customer relationship are disclosed in Note 15, Note 16 and Note 18(a) respectively.

Management has assessed that due to the severe impact of the Covid-19 pandemic and political events in Myanmar on the Group business operations, management has carried out the impairment assessment on the other non-financial assets. Based on the impairment test, recoverable amount of the Group's property, plant and equipment and the Company's investments in subsidiary corporations exceed their respective carrying amounts, accordingly no impairment charged is recognised as at 30 September 2021 (2020: the carrying amounts of the Company's and the Group's other non-financial assets may not be recoverable as at 30 September 2020, accordingly impairment losses on investments in subsidiary corporations and property, plant and equipment amounted to US\$14,373,000 and US\$9,639,000 respectively are recognised in profit or loss).

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

(c) *Useful lives of property, plant and equipment and intangible assets with definite useful lives*

The estimates for the useful lives and related depreciation charges for property, plant and equipment and amortisation of intangible assets with definite useful lives are based on commercial and other factors that could change significantly as a result of extension of lease expiry date for land and building acquired under business combination. The carrying amounts of the Group's property, plant and equipment and intangible assets at the end of the reporting date are disclosed in Note 16 and Note 18 respectively.

If the estimated useful lives of property, plant and equipment and intangible assets increase or decrease by one year from management's estimates, the carrying amounts of the Group's property, plant and equipment and intangible assets with definite useful lives would have been US\$234,000 and US\$18,000 or US\$337,000 and US\$27,000 (2020: US\$441,000 and US\$27,000 or US\$645,000 and US\$40,000) higher or lower respectively.

(d) *Leases*

The application of SFRS(I)16 *Leases* requires the Group to exercise judgement and estimates in applying transition options and practical expedients, and in the determination of key assumptions used in measuring the lease liabilities. Key assumptions include lease terms and discount rates on the lease payments.

In determining the lease term, the Group considers all relevant facts and circumstances that create an economic incentive for the Group to exercise an extension option, or not to exercise a termination option. Extension options (or years after termination options) are only included in the lease term if the Group is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

The lease payments are discounted using the rate implicit in the lease or the Group's incremental borrowing rate. This requires the Group to estimate the rate of interest that it would have to pay to borrow the funds to obtain a similar asset under similar terms.

The incremental borrowing rate applied to lease liabilities as at the date of initial adoption was 13% for all leases. The carrying amount of lease liabilities of the Group as at 30 September 2021 was US\$1,196,000 (2020: US\$1,646,000).

Changes in these assumptions may significantly impact the measurement of the lease liabilities. The accounting policies for leases are stated in Note 2.15.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

5. REVENUE

(a) Disaggregation of revenue

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
<u>Product or service lines</u>		
Sales of goods		
- Goods and merchandise	271	200
- Food and beverages	1,040	953
	1,311	1,153
Rendering of services		
- Hot air balloon services	-	5,220
- Destination management services	-	1,769
- Cruise services	3	230
	3	7,219
Accommodation revenue	781	2,151
	2,095	10,523
<u>Business segments</u>		
Services	637	1,769
Experiences	3	5,459
Hotels	1,455	3,295
	2,095	10,523
<u>Timing of transfer of goods or services</u>		
At a point in time	1,311	6,373
Over time	784	4,150
	2,095	10,523

(b) Judgement and methods used in estimating revenue

Recognition of revenue from destination management services over time

The Group has identified the obligation to provide destination management services with customers (i.e. Full-scale and customised services in designing and implementing tours) as a single performance obligation as the series of services are closely related and substantially the same.

Revenue from destination management services is recognised over the duration of the tours as customers simultaneously receive and consume the benefit provided by the Group's performance as it provides the service.

Management has determined that a time-based input method provides a faithful depiction of the Group's performance towards complete satisfaction of the performance obligation to the customers over the duration of the tours.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

6. EXPENSES BY NATURE

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Amortisation of intangible assets [Note 18(a)]	107	161
Depreciation of property, plant and equipment (Note 16)	2,486	4,281
Purchase of inventories	356	914
Advertisement	3	68
Marketing and commission	45	424
Rental expenses on short-term leases/operating leases	59	124
Insurance	227	262
Employee compensation (Note 9)	2,980	8,635
Sponsorship	47	84
Professional fees	57	269
Fees on audit services paid/payable to:		
- Auditor of the Company	118	170
- Other auditor	15	43
Total fees on audit services	133	213
Travelling and related costs	61	543
Telecommunication costs	142	306
Hot air balloon operating costs	50	1,113
Service providers' costs	436	1,403
Cruise operating costs	35	288
Hotel operating costs	90	529
Utilities expenses	406	646
Others	436	2,225
Changes in inventories	(17)	(36)
Total cost of sales, administrative, and distribution and marketing expenses	8,139	22,452

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

7. OTHER LOSSES - NET

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Currency translation gains, net	255	202
Fair value (loss)/gain on investment properties (Note 17)	(1,250)	402
Fair value loss on financial assets at FVPL (Note 19)	(205)	(776)
Interest income from other receivables	75	130
Impairment loss on goodwill [Note 18(b)]	(1,400)	(5,135)
Impairment loss on intangible assets with indefinite useful lives [Note 18(c)]	(391)	-
Impairment loss on property plant and equipment (Note 16)	-	(9,639)
Gain/(loss) on disposal of property, plant and equipment	126	(18)
Others	8	91
	(2,782)	(14,743)

8. FINANCE EXPENSES

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Interest expense on bank borrowings	3,466	4,716
Interest expense on lease liabilities [Note 21(c)]	187	333
Interest expense on convertible bonds (Note 23)	160	250
Interest expense on other payables	24	79
Interest expense on provision	13	-
	3,850	5,378
Finance charges	-	36
Currency translation (gain)/loss, net	(10,005)	3,740
	(6,155)	9,154

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

9. EMPLOYEE COMPENSATION

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Wages and salaries	2,346	7,238
Employer's contribution to defined contribution plans	26	55
Other short-term benefits	608	1,342
	2,980	8,635

10. INCOME TAXES

(a) Income tax expense/(credit)

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Tax expense/(credit) attributable to loss is made up of:		
Loss for the financial year/period:		
Current income tax		
- Singapore	7	6
- Foreign (Myanmar)	-	2
	7	8
Deferred income tax	(47)	(64)
	(40)	(56)
Under-provision of current income tax in prior financial years:		
- Foreign (Myanmar)	-	52
	(40)	(4)

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

10. INCOME TAXES (CONTINUED)

(a) Income tax expense/(credit) - (continued)

The tax on the Group's loss before income tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Loss before income tax	(2,788)	(35,971)
Tax calculated at a tax rate of 17% (2020: 17%)	(474)	(6,115)
Effect of:		
- Difference tax rates in other countries	(80)	(1,486)
- Expenses not deductible for tax purposes	514	7,565
- Income not subject to tax	-	(20)
- Under-provision of tax in prior financial years	-	52
	(40)	(4)

(b) Movement in current tax liabilities

	Group	
	2021 US\$'000	2020 US\$'000
Beginning of financial year/period	394	564
Income tax expense	7	8
Income tax paid	(16)	(230)
Under-provision of tax in prior financial years	-	52
End of financial year/period	385	394

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

11. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Net loss attributable to equity holders of the Company	(2,748)	(35,967)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	502,171	502,171
Basic loss per share (cents)	(0.55)	(7.16)

(b) Diluted loss per share

For the purpose of calculating diluted (loss)/earnings per share, the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares: in relation to performance shares [Note 28(d)], ordinary shares to be issued in relation to the 3,890,640 consideration shares which will be allotted and issued to the vendors as part of the purchase consideration for the acquisition of new business upon satisfaction of certain conditions [Note 28(a)] and convertible bonds (Note 23).

The weighted average number of shares in issue for the purpose of calculating diluted (loss)/earnings per share had been adjusted as if all performance share awards are vested and released, the additional issuances of shares to the vendors are issued and the convertible bonds are converted into ordinary shares at issuance at the end of financial year. No adjustment is made to the net loss, except for the adjustment to eliminate the interest expense less the tax effect.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

11. LOSS PER SHARE (CONTINUED)

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Net loss attributable to equity holders of the Company	(2,748)	(35,967)
Add: Interest expenses on convertible bonds*	160	250
Adjusted loss attributable to equity holders of the Company	(2,588)	(35,717)
Weighted average number of ordinary shares outstanding for basic loss per share ('000)	502,171	502,171
Adjusted for ('000)		
- Shares to be issued [Note 28(a)]**	3,891	3,891
- Convertible bonds [Note 23]	19,830	19,830
Weighted average number of ordinary shares outstanding for diluted loss per share ('000)	525,892	525,892
Diluted loss per share (US\$ cents)***	(0.55)	(7.16)

* Convertible bonds are assumed to have been converted into ordinary shares at issuance and the net loss is adjusted to eliminate the interest expense less any tax effect.

** Shares to be issued are in relation to the 3,890,640 consideration shares which will be allotted and issued to U Khun Naung Myint Wai as part of the purchase consideration for the acquisition of the business of Kayah Resort ("Keinnara Loikaw") upon satisfaction of certain conditions.

*** The diluted loss per share computations have not taken into consideration the effects of the shares to be issued and convertible bonds as at 30 September 2021 and 2020, as they were anti-dilutive pursuant to paragraph 41 of SFRS(I) 33 *Earnings per Share*.

12. CASH AND BANK BALANCES

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Cash and bank balances	130	406	36	91

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Current				
Trade receivables				
- Non-related parties	523	620	-	-
- Related parties	12	186	-	-
Less: Loss allowance [Note 30(b)]	(217)	(181)	-	-
Trade receivables - net	318	625	-	-
Non-trade receivables				
- Non-related parties	427	373	-	4
- Related parties	833	1,026	-	-
- Subsidiary corporations	-	-	13,461	13,106
Less: Loss allowance [Note 30(b)]	(81)	-	-	-
	1,179	1,399	13,461	13,110
Deposits	195	224	-	-
Prepayments	264	221	1	7
	1,956	2,469	13,462	13,117
Non-current				
Non-trade receivables - related party	540	763	-	-

Non-trade receivables from related parties and subsidiary corporations are interest-free, unsecured and are receivable on demand except for an amount of US\$540,000 (30 September 2020: US\$763,000) to a related party which bears market interest rate of 10.5% (30 September 2020: 10.5%) per annum and payable in 2023. This is a one-off interest-bearing loan to the related party in exchange for the release of land grant for the benefit of the Group as a security for, and is on the same interest terms, as the Group's bank borrowings (Note 22).

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

14. INVENTORIES

	Group	
	2021	2020
	US\$'000	US\$'000
Consumables	237	220

The cost of inventories recognised as an expense and included in "cost of sales" amounted to US\$339,000 (30 September 2020: US\$878,000).

15. INVESTMENTS IN SUBSIDIARY CORPORATIONS

	Company	
	2021	2020
	US\$'000	US\$'000
<i>Equity investment at cost</i>		
Beginning of financial year	67,482	81,854
Impairment losses	-	(14,372)
End of financial year	67,482	67,482

During the financial year ended 30 September 2021, impairment losses of nil (30 September 2020: US\$14,373,000) was recognised for the Company's investments in subsidiary corporations. The impairment losses were made to write down the carrying amounts of investments in subsidiary corporations to their recoverable amounts following the impairment review as determined based on value-in-use calculations. The key assumptions used in the impairment assessment are as disclosed in Note 16 and Note 18(g).

The Group had the following subsidiary corporations as at 30 September 2021 and 31 September 2020:

Name of subsidiary corporation	Principal activities	Country of incorporation/ Principal place of business	Proportion of ordinary shares held by the Group	
			2021	2020
<u>Held by the Company</u>				
MM (Myanmar) Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100%	100%
SM Asset Holdings Pte. Ltd. ("SMAH") ⁽¹⁾	Investment holding	Singapore	100%	100%
<u>Subsidiary corporations of MM Myanmar Pte. Ltd.</u>				
MM (PHL) Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100%	100%
MM (BOB) Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100%	100%
MM (DMC) Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100%	100%
MM (HAL) Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100%	100%
MM (BL) Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100%	100%
Burma Boating Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100%	100%

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

15. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

The Group had the following subsidiary corporations as at 30 September 2021 and 30 September 2020: (continued)

Name of subsidiary corporation	Principal activities	Country of incorporation/ Principal place of business	Proportion of ordinary shares held by the Group	
			2021	2020
<u>Subsidiary corporations of MM Myanmar Pte. Ltd. (continued)</u>				
Memories Myanmar International Travel Service (Dalian) Co., Ltd. ⁽⁷⁾	Provision of marketing activities of new tourism business	People's Republic of China	100%	100%
Memories Myanmar F&B Management Company Limited ⁽²⁾⁽⁷⁾	Provision of restaurant management services	Myanmar	100%	100%
Memories Myanmar Hotel Management Company Limited ⁽²⁾⁽⁷⁾	Provision of hotel management services	Myanmar	100%	100%
<u>Subsidiary corporation of MM (PHL) Pte. Ltd.</u>				
Pun Hlaing Lodge Hotel Management Limited ("PHLHML") ⁽²⁾	Hotel development	Myanmar	100%	100%
<u>Subsidiary corporation of MM (BOB) Pte. Ltd.</u>				
Shwe Lay Ta Gun Travels & Tours Company Limited ("SLTG") ⁽²⁾⁽³⁾	Provision of hot air balloon services	Myanmar	100%	100%
<u>Subsidiary corporation of MM (DMC) Pte. Ltd.</u>				
Asia Holidays Travels & Tours Company Limited ("AHTT") ⁽²⁾⁽⁴⁾	Provision of tour operator and travel agency businesses	Myanmar	100%	100%
Memories Myanmar Travel Limited ("MRTL") ⁽²⁾⁽⁷⁾⁽⁸⁾	Provision of tour operator and travel agency businesses	Myanmar	100%	100%
<u>Subsidiary corporations of MM (HAL) Pte. Ltd.</u>				
Hpa An Traditional Lodge Limited ("HATTL") ⁽²⁾	Operation of restaurants and related services, and management of hotel and related hospitality businesses	Myanmar	100%	100%
Traditional Lodge Hotel Company Limited ("TLH") ⁽²⁾⁽⁵⁾	Provision of lodge services	Myanmar	100%	100%
Keinara Loikaw Company Limited ("KLCL") ⁽²⁾	Provision of lodge services	Myanmar	100%	100%

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

15. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

The Group had the following subsidiary corporations as at 30 September 2021 and 30 September 2020: (continued)

Name of subsidiary corporation	Principal activities	Country of incorporation/ Principal place of business	Proportion of ordinary shares held by the Group	
			2021	2020
<u>Subsidiary corporations of MM (BL) Pte. Ltd.</u>				
Riverside Bagan Limited ("RBL") ⁽²⁾	Operation of restaurants and related services, and management of hotel and related hospitality businesses	Myanmar	100%	100%
Chindwin Investments Limited ("CIL") ⁽²⁾	Investment holding	Myanmar	100%	100%
<u>Subsidiary corporation of Burma Boating Pte. Ltd.</u>				
Burma Boating Company Limited ("BBCL") ⁽²⁾	Provision of cruise services	Myanmar	100%	100%
Mergui International Co., Ltd. ⁽⁷⁾⁽⁹⁾	Investment holding	Thailand	100%	100%
Mergui Memories International Co., Ltd. ⁽⁷⁾⁽⁹⁾	Provision of cruises services	Thailand	100%	100%
<u>Subsidiary corporations of SM Asset Holdings Pte. Ltd.</u>				
Mokan (S) Pte. Ltd. ("Mokan") ⁽¹⁾⁽⁶⁾	Investment holding	Singapore	100%	100%
SM Mawlamyaing Pte. Ltd. ⁽¹⁾	Investment holding	Singapore	100%	100%
<u>Subsidiary corporation of Mokan (S) Pte. Ltd.</u>				
Mokan International Company Limited ("MICL") ⁽²⁾	Hotel Development	Myanmar	100%	100%
<u>Subsidiary corporation of SM Mawlamyaing Pte. Ltd.</u>				
SM Mawlamyaing Hotel Limited ("SMMHL") ⁽²⁾	Hotel Development	Myanmar	100%	100%
Southern Myanmar Capital Limited ("SMC") ⁽²⁾	Hotel Development	Myanmar	100%	100%

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

15. INVESTMENTS IN SUBSIDIARY CORPORATIONS (CONTINUED)

- (1) Audited by Nexia TS Public Accounting Corporation ("Nexia TS"), Singapore.
- (2) For the purpose of preparation of the consolidated financial statements, these entities are audited by Nexia TS under full scope audit or audit of significant line items of the financial statements. Audited by Excellent Choice Professional Financial Consultant and Auditing Group, Myanmar for local statutory purposes.
- (3) MM (BOB) Pte. Ltd. holds the legal and beneficial ownership of 40.0% of the issued share capital of SLTG and economic interests in respect of the remaining 60.0% of the issued share capital of SLTG and certain powers and authority over such shares pursuant to the terms of the BOB Power of Attorney.
- (4) MM (DMC) Pte. Ltd. holds the legal and beneficial ownership of 59.9% of the issued share capital of AHTT and economic interests in respect of the remaining 40.1% of the issued share capital of AHTT and certain powers and authority over such shares pursuant to the terms of the DMC Power of Attorney.
- (5) MM (HAL) Pte. Ltd. holds economic interests in respect of 100% of the issued share capital of TLH and certain powers of authority over such shares pursuant to the terms of the HAL Power of Attorney.
- (6) SM Asset Holdings Pte. Ltd. holds 80% of the issued share capital of Mokan and the remaining 20% of the issued share capital of Mokan is owned by the Company.
- (7) These are newly incorporated subsidiary corporations of the Group which do not contributed significantly to the Group for the financial year ended 30 September 2021.
- (8) MM (DMC) Pte. Ltd. holds the legal and beneficial ownership of 35% of the issued share capital of MMTL and economic interests in respect of the remaining 65% of the issued share capital of MMTL and certain powers and authority over such shares.
- (9) Burma Boating Pte. Ltd. holds the legal and beneficial ownership of 48% of the issued share capital of Mergui International Co., Ltd and Mergui Memories International Co., Ltd and economic interests in respect of the remaining 52% of the issued share capital and certain powers and authority over such shares.

Significant restrictions

As at 30 September 2021, cash and bank balances of US\$94,000 (2020: US\$269,000) are held in Myanmar and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country other than through normal dividends.

NOTES TO THE Financial Statements

For the financial year ended 30 September 2021

16. PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings		Machinery, facilities and equipment		Renovation		Motor vehicles		Furniture and office equipment		Hot air balloons and Yacht and Construction		Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
2021													
Cost													
Beginning of financial year	48,907	1,678	300	1,030	3,471	2,242	1,631	7,060				66,319	
Additions	880	4	4	-	9	-	-	140				1,037	
Disposals	-	-	-	(69)	-	(33)	-	-				(102)	
Write offs	(1,378)	-	-	(57)	-	-	-	(25)				(1,460)	
End of financial year	48,409	1,682	304	904	3,480	2,209	1,631	7,175				65,794	
Accumulated depreciation and impairment losses													
Beginning of financial year	11,217	701	99	792	1,886	1,308	502	-				16,505	
Depreciation charges (Note 6)	1,094	174	34	128	611	303	142	-				2,486	
Disposals	-	-	-	(53)	-	(5)	-	-				(58)	
Write offs	(190)	-	-	(47)	-	-	-	-				(237)	
End of financial year	12,121	875	133	820	2,497	1,606	644	-				18,696	
Net book value													
End of financial year	36,288	807	171	84	983	603	987	7,175				47,098	

NOTES TO THE Financial Statements

For the financial year ended 30 September 2021

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Land and buildings		Machinery, facilities and equipment		Renovation equipment and vessels		Motor vehicles		Furniture and office equipment		Hot air balloons and equipment		Yacht and vessels in-progress		Construction		Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
2020																	
Cost																	
Beginning of financial period	47,311	1,638		288	949	3,341	1,967	1,417	6,769								63,680
Adoption of SFRS(I) 16	1,506	-	-	-	57	-	-	-	-	-	-	-	-	-	-	-	1,563
Additions	90	40	12	12	24	131	275	242	291								1,105
Disposals	-	-	-	-	-	(1)	-	(28)	-	-	-	-	-	-	-	-	(29)
End of financial period	48,907	1,678	300	1,030	3,471	2,242	1,631	7,060									66,319
Accumulated depreciation and impairment losses																	
Beginning of financial period	563	165	33	541	398	784	106	-	2,590								
Depreciation charges (Note 6)	1,803	319	65	245	1,099	524	226	-	4,281								
Disposals	-	-	-	-	(1)	-	(4)	-	(5)								
Impairment loss (Note 7)	8,851	217	1	6	390	-	174	-	9,639								
End of financial period	11,217	701	99	792	1,886	1,308	502	-	16,505								
Net book value																	
End of financial period	37,690	977	201	238	1,585	934	1,129	7,060	49,814								
Company																	

Property, plant and equipment as at 30 September 2021 represent the net book value of computer amounting to nil (30 September 2020: US\$307).

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

- (a) Several plots of land of the Group with an aggregate net book value of US\$8,276,000 as at 30 September 2021 (2020: US\$9,267,000) are pledged as collateral for the borrowings of the Group [Note 22(a)].
- (b) Included in additions of property, plant and equipment during the financial year ended 30 September 2021 are remaining consideration payables to contractors and retention payables to contractors which amounted to nil (30 September 2020: US\$18,000).
- (c) Right-of-use assets acquired under leasing agreements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 21(a).

Impairment of property, plant and equipment

The Group has identified the cash generating units ("CGUs") to be the respective subsidiary corporations to which the property, plant and equipment and right-of-use assets belong. Management has considered the severe impact of the Covid-19 pandemic, political events in Myanmar and the performance of the CGUs as indicators that the property, plant and equipment may be impaired.

Cash flow projections used in the value-in-use calculations were based on financial budget approved by management covering a five-year period. Estimated cash flows beyond the five-year period are estimated using perpetual growth terminal value formula. The growth rate did not exceed the long-term average economic growth rate for the CGUs.

Key assumptions used for value-in-use-calculations:

	Average budgeted gross margin		Perpetual growth rate		Pre-tax discount rate	
	2021	2020	2021	2020	2021	2020
Hotels						
TLH	56.2%	72.0%	4.0%	3.0%	16.4%	16.7%
PHLHML	61.9%	67.0%	4.0%	3.0%	16.2%	16.1%
MICL	64.9%	71.0%	4.0%	3.0%	16.6%	16.6%
SMMHL	66.6%	85.0%	4.0%	3.0%	16.4%	16.9%
KLCL	57.8%	73.0%	4.0%	3.0%	16.4%	16.5%
Experiences						
BBPL	8.3%	13.0%	4.0%	3.0%	15.6%	14.3%
SLTG	70.0%	76.0%	4.0%	3.0%	17.7%	17.3%

During the financial year ended 30 September 2021, no impairment charge is recognised as the recoverable amounts of the Group's property, plant and equipment are more than their carrying amounts.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

16. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the financial period ended 30 September 2020, the Group recognised total impairment charge of US\$9,639,000 of which impairment on property, plant and equipment of hotels segment and experiences segment amounted to US\$9,630,000 and US\$9,000 respectively. The impairment loss represented the write-down on the excess of the carrying amount over the recoverable amount of the relevant property, plant and equipment and right-of-use assets and are included within "Other (losses)/income – net" in profit or loss. The impairment charge had arisen due to the Covid-19 pandemic impact. As the carrying amount of the CGUs has been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of the recoverable amount would result in further impairment loss.

Sensitivity analysis for the financial year/period ended 30 September 2021 and 2020

After recognition of impairment loss for financial period ended 30 September 2020, the recoverable amounts of the CGUs are equal to the carrying amounts. Therefore, any adverse movement in a key assumption would lead to further impairment. The following changes in assumptions would have resulted in a significant increase in the impairment loss as follows:

Group	Hotels		Experiences		Total	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
A decrease of 1% in gross profit margin	443	778	NM	53	443	831
A decrease of 1% in perpetual growth rate	2,255	2,350	22	42	2,277	2,392
An increase of 1% in discount rate	3,314	3,605	13	60	3,327	3,665

NM: Not meaningful

For SLTG CGU, in experience segment, the recoverable amount is significantly higher than the carrying amount. It is unlikely that any possible change in the key assumptions made by management would result in the recoverable amount being lower than its carrying amount.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

17. INVESTMENT PROPERTIES

	Group	
	2021 US\$'000	2020 US\$'000
Beginning of financial year/period	17,350	16,683
Adoption of SFRS(I) 16	-	265
	17,350	16,948
Fair value (loss)/gain recognised in profit or loss (Note 7)	(1,250)	402
End of financial year/period	16,100	17,350

(a) The investment properties relate to the undeveloped land development rights held for capital appreciation and/or leasing purposes.

(b) At the end of reporting date, the details of the Group's investments properties are as follows:

Location	Description	Tenure
Kyun Phi Lar, Bo Ywe Island, Nga Man Island and Shark Cave Islet, Tanintharyi Region, Myanmar	Land development rights – 635.2 acres of useable and reserve lands	50 years and two additional 10 years from 4 October 2013

(c) Fair value hierarchy – recurring fair value measurement

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1) US\$'000	Significant other observable inputs (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000
Land development rights			
30 September 2021	-	-	16,100
30 September 2020	-	-	17,350

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

17. INVESTMENT PROPERTIES (CONTINUED)

- (d) Valuation techniques and inputs used in Level 3 fair value measurements

The following table presents the valuation techniques and key inputs that were used to determine the fair value of investment properties categorised under Level 3 of the fair value hierarchy:

Description	Fair value at 30 September 2021 US\$'000	Valuation technique	Range of Unobservable inputs	Relationship of unobservable input to fair value
Land development rights	16,100 (2020: 17,350)	Direct Comparison method	Recent transactions/ asking prices of comparable land sales in Myanmar and South East Asia amounted to US\$5.94 to US\$34.08 and US\$5.79 to US\$6.31 (2020: US\$10.05 to US\$52.78 and US\$8.34 to US\$36.25) respectively Adjustment for differences in key attributes such as location, size, asking price, etc from -20% to 94% (2020: 30% to 85%).	The higher the transaction/ asking price, the higher the valuation. Not specified The higher the adjustments, the lower the valuation.

- (e) Valuation process of the Group

The Group engages external, independent and qualified valuers to determine the fair value of the Group's properties at the end of every financial year based on the properties' highest and best use. As at 30 September 2021 and 2020, the fair values of the properties are determined by Colliers International Consultancy & Valuation (Singapore) Pte Ltd.

A valuation team lead by the financial controller performs the valuations of non-property assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to the Group chief executive office ("CEO"). Discussions of valuation processes and results are held between the Group CEO and the valuation team at the end of each reporting date or as and when there is significant change in the fair value.

At each reporting date the finance department:

- verifies all major inputs to the independent valuation reports;
- assesses property valuation movements compared to the previous reporting date; and
- holds discussions with the independent valuer.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

18. INTANGIBLE ASSETS

	Group	
	2021 US\$'000	2020 US\$'000
Composition:		
Customer relationship (Note a)	73	180
Goodwill (Note b)	1,238	2,638
Trademark (Note c)	669	1,060
Brand name (Note d)	65	63
	2,045	3,941

(a) Customer relationship

	Group	
	2021 US\$'000	2020 US\$'000
<u>Cost</u>		
Beginning and end of financial year/period	536	536
<u>Accumulated amortisation</u>		
Beginning of financial year/period	356	195
Amortisation charge	107	161
End of financial year/period	463	356
Net book value	73	180

(b) Goodwill

	Group	
	2021 US\$'000	2020 US\$'000
<u>Cost</u>		
Beginning and end of financial year/period	7,773	7,773
Accumulated impairment		
Beginning of financial year/period	5,135	-
Impairment charge (Note 7)	1,400	5,135
End of financial year/period	6,535	5,135
Net book value	1,238	2,638

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

18. INTANGIBLE ASSETS (CONTINUED)

(c) Trademark

	Group	
	2021 US\$'000	2020 US\$'000
<u>Cost</u>		
Beginning and end of financial year/period	1,060	1,060
Accumulated impairment		
Beginning of financial year	-	-
Impairment charge (Note 7)	391	-
End of financial year/period	391	-
Net book value	669	1,060

(d) Brand name

	Group	
	2021 US\$'000	2020 US\$'000
<u>Cost</u>		
Beginning and end of financial year/period	63	63
Addition	2	-
	65	63

- (e) Amortisation expenses amounting to US\$54,000 (30 September 2020: US\$161,000) are included in profit or loss under administrative expenses (Note 6).

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

18. INTANGIBLE ASSETS (CONTINUED)

- (f) Impairment test for goodwill and intangible assets with indefinite useful lives (trademark and brand name)

Goodwill and intangible assets with indefinite useful lives (trademark and brand name) are allocated to the Group's cash-generating units ("CGUs") identified according to below business segments:

Group	Services		Hotels		Experiences	
	2021	2020	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Goodwill on business acquisition						
Before impairment	1,400	5,484	1,238	2,028	-	261
Impairment loss	(1,400)	(4,084)	-	(790)	-	(261)
After impairment	-	1,400	1,238	1,238	-	-
Trademark						
Before impairment	1,060	1,060	-	-	-	-
Impairment loss	(391)	-	-	-	-	-
After impairment	669	1,060	-	-	-	-
Brand name	2	-	-	-	63	63

The recoverable amount of a CGU is determined based on value-in-use ("VIU") calculations. Cash flow projections used in the VIU calculations were based on financial budget approved by management covering a five-year period. Estimated cash flows beyond the five-year period are estimated using perpetual growth terminal value formula. The growth rate did not exceed the long-term average rate for the CGUs.

Key estimates used for value-in-use calculations:

	Average budgeted gross margin		Perpetual growth rate		Pre-tax discount rate	
	2021	2020	2021	2020	2021	2020
<u>Services</u>						
AHTT	15.0%	20.0%	4.0%	3.0%	16.1%	16.8%
<u>Hotels</u>						
TLH	56.2%	72.0%	4.0%	3.0%	16.4%	16.7%
KLCL	57.8%	73.0%	4.0%	3.0%	16.4%	16.5%
<u>Experiences</u>						
BBPL	8.3%	13.0%	4.0%	3.0%	15.6%	14.3%

These assumptions were used for the analysis of each CGU within the business segment. Management determined budgeted gross margin based on past performance and its expectations of market developments. The discount rates used were pre-tax and reflected specific risks relating to the relevant segments.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

18. INTANGIBLE ASSETS (CONTINUED)

- (f) Impairment test for goodwill and intangible assets with indefinite useful lives (trademark and brand name) (continued)

During the financial year ended 30 September 2021, the Group recognised total impairment charges amounting to US\$1,791,000 which comprises of US\$1,400,000 on goodwill and US\$391,000 on intangible assets with indefinite useful lives (trademark) of services segment.

During the prior financial period, the Group recognised total impairment charges amounting to US\$5,135,000 on goodwill comprising of services, hotels and experiences segment of US\$4,084,000, US\$261,000 and US\$790,000 respectively.

The impairment loss is included within "Other losses - net" in profit or loss. The impairment charge in the current financial year has arisen due to the severe impact of the Covid-19 pandemic and political events (2020: the Covid-19 pandemic) on the Group's operations and businesses' performance. As the carrying amount of the CGUs has been reduced to its recoverable amount, any adverse change in the assumptions used in the calculation of the recoverable amount would result in further impairment loss.

Sensitivity analysis

After recognition of impairment losses, the recoverable amounts of the CGUs (including goodwill) and intangible assets with indefinite useful lives (trademark) are equal to the carrying amounts. Therefore, any adverse movement in a key assumption would lead to further impairment. The following changes in assumptions would have resulted in a significant increase in the impairment loss as follows:

For the financial year from

1 October 2020 to 30 September 2021

	Services US\$'000	Hotels US\$'000	Experiences US\$'000	Total US\$'000
An increase of 1% in discount rate	142	269	13	424
A decrease of 1% in perpetual growth rate	179	306	12	497
A decrease of 1% in gross profit margin	154	48	NM	202

For the financial period from

1 April 2019 to 30 September 2020

	Services US\$'000	Hotels US\$'000	Experiences US\$'000	Total US\$'000
An increase of 1% in discount rate	226	536	60	822
A decrease of 1% in perpetual growth rate	225	470	42	737
A decrease of 1% in gross profit margin	173	117	53	343

NM: Not meaningful

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

19. FINANCIAL ASSETS, AT FVPL

	Group	
	2021 US\$'000	2020 US\$'000
Beginning of financial year/period	2,414	-
Additions	-	3,190
Fair value loss (Note 7)	(205)	(776)
End of financial year/period	2,209	2,414
<i>Non-current</i>		
Non-listed equity securities – British Virgin Islands	2,209	2,414

The above investment in non-listed equity securities which is less than 20% of interest in investee is mandatorily measured at fair value through profit or loss.

The estimated fair value (Level 3 fair value measurement hierarchy) of financial assets at FVTPL is measured using market approach and the earnings of a business are capitalised using comparable companies' multiples, EV/EBITDA ratios as earnings multiples for valuation purposes.

20. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Trade payables - Non-related parties	268	755	-	-
Non-trade payables				
- Non-related parties	3,228	2,029	797	731
- Related parties	6,658	5,253	2,709	2,070
- Subsidiary corporations	-	-	12,179	12,193
	9,886	7,282	15,685	14,994
Contract liabilities	947	875	-	-
Retention payables to contractors	1,941	2,476	-	-
Accrued operating expenses	1,179	2,015	203	248
	14,221	13,403	15,888	15,242

Transactions with related parties were made on normal commercial terms and conditions.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

20. TRADE AND OTHER PAYABLES (CONTINUED)

Non-trade payables to related parties and subsidiary corporations are unsecured, interest-free and payable on demand.

Included in non-trade payables as at 30 September 2021 are remaining cash consideration payables to vendors for acquisition of new business amounting to US\$725,000 (2020: US\$701,000). Part of the consideration of US\$2,324,000 was settled during the financial period ended 30 September 2020.

Contract liabilities relate primarily to advance consideration received from customers for rendering of services recognised over time. The contract liabilities are recognised as revenue when the Group fulfils its performance obligation under the contract with the customer. The significant changes in the contract liabilities during the financial year are as follows:

	Group	
	2021 US\$'000	2020 US\$'000
Revenue recognised that was included in contract liabilities at the beginning of financial year/period	133	1,263
Increases due to cash received and contractual progress billing, excluding amounts recognised as revenue during the financial year/period	209	875
Decrease due to cash refunded for booking cancellation during the financial year/period	(63)	-

21. LEASES - THE GROUP AS A LESSEE

Nature of the Group's leasing activities

Property

The Group leases office units, sales desks and apartment for the purpose of business operations and resident for employee respectively. These ROU assets are classified as land and buildings within property, plant and equipment.

Leasehold land and building

The Group has made an upfront payment to secure the right-of-use of a 50-year leasehold land, which is used in the Group's hotel segment. The leasehold land is recognised within property, plant and equipment (Note 16).

The Group also makes annual lease payments for leasehold land. The right-of-use assets relating to the hotel building are classified as land and building within property, plant and equipment, while those relating to the undeveloped land development rights held for capital appreciation and/or leasing purposes, are classified as investment properties (Note 17).

There are no externally imposed covenants on these lease arrangements.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

21. LEASES – THE GROUP AS A LESSEE (CONTINUED)

Motor vehicles

The Group leases motor vehicles for the purpose of business operations. The lease agreements prohibit the Group from subleasing the equipment to another party.

(a) Carrying amounts

Amount recognised in the statement of financial position

ROU assets within property, plant and equipment

	Group	
	2021 US'000	2020 US\$'000
Land and buildings	932	1,364
Motor vehicles	-	27
	932	1,391

ROU assets within investment properties

The right-of-use asset relating to the leasehold land presented under investment properties (Note 17) is stated as fair value and has a carrying amount at reporting date of US\$16,100,000 (2020: US\$17,350,000).

Lease liabilities within borrowings

	Group	
	2021 US'000	2020 US\$'000
Current		
- Due within 1 year	175	190
Non-current		
- Due within 2-5 years	703	472
- Due more than 5 years	317	984
	1,020	1,456
Total lease liabilities	1,195	1,646

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

21. LEASES – THE GROUP AS A LESSEE (CONTINUED)

- (b) Depreciation charge during the financial year/period

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Land and buildings	174	213
Motor vehicles	17	30
Total	191	243

- (c) Interest expense

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Interest expense on lease liabilities (Note 8)	187	333

- (d) Lease expense not capitalised in lease liabilities

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Short-term lease expenses (Note 6)	59	124

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

21. LEASES – THE GROUP AS A LESSEE (CONTINUED)

- (e) Total cash outflow for all leases in the financial year ended 30 September 2021 was US\$322,000 (financial period ended 30 September 2020: US\$587,000).
- (f) Additions of ROU assets during the financial year ended 30 September 2021 was US\$880,000 (financial period ended 30 September 2020: US\$71,000).
- (g) Write off of ROU assets during the financial year ended 30 September 2021 was US\$1,098,000 (financial period ended 30 September 2020: nil) due to the termination of lease contracts.

22. BORROWINGS

	Group	
	2021 US\$'000	2020 US\$'000
Current		
- Bank borrowings	3,675	2,861
- Borrowings from related parties	1,000	-
- Lease liabilities [Note 21 (a)]	175	190
	4,850	3,051
Non-current		
- Bank borrowings	21,859	26,471
- Borrowings from related parties	-	2,000
- Lease liabilities [Note 21 (a)]	1,020	1,456
	22,879	29,927
Total borrowings	27,729	32,978

There is no exposure of the borrowings of the Group to interest rate changes as the borrowings bear fixed interest rate of 6% to 14.5% (2020: 6% to 14.5%) per annum which are the market interest rates.

Total borrowings include secured liabilities of US\$25,507,000 (30 September 2020: US\$29,294,000).

(a) Security granted

- (i) bank borrowing of US\$11,584,000 (equivalent to Myanmar Kyat 21.45 billion) [2020: US\$14,600,000 (equivalent to Myanmar Kyat 19,200,000 billion)] owing by Pun Hlaing Lodge Hotel Management Limited ("PHLHML") is secured by a plot of land of 2.20 acres in Pun Hlaing Estate where Awei Metta is situated [Note 16(a)].
- (ii) bank borrowing of US\$10,670,000 (equivalent to Myanmar Kyat 19.76 billion) [2020: US\$14,700,000 (equivalent to Myanmar Kyat 19,210,000 billion)] owing by Shwe Lay Ta Gun Travels & Tour Limited ("SLTG") is secured by several plots of land in Bagan of a total of 4.31 acres [Note 16(a)].

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

22. BORROWINGS (CONTINUED)

(a) Security granted (continued)

(iii) bank borrowing of US\$3,253,000 million (equivalent to Myanmar Kyat 6.0 billion) (2020: nil) owing by Southern Myanmar Capital Limited is secured by the land and building for Hotel Suggati Mawlamyaing of 0.424 acres and the land and building for Hotel Keinnara Hpa-An of 2.48 acres [Note 16(a)].

(iv) corporate guarantee by the Company.

(b) Fair value of non-current borrowings

	Group	
	2021	2020
	US\$'000	US\$'000
Secured bank borrowings	21,660	29,075

The fair value is determined from the cash flow analysis, discounted at market borrowing rates of an equivalent instrument at the reporting date which the management expects to be available to the Group of 10.2% to 15.4% (30 September 2020: 6% to 14.5%) per annum.

The fair values are within Level 2 of the fair value hierarchy.

23. CONVERTIBLE BONDS

On 29 April 2019, the Group entered into a sale and purchase agreement with a "Vendor" or "Bondholder" for the acquisition of financial assets at FVPL (Note 19) by way of the issuance of unlisted convertible bonds in the aggregate nominal value of US\$3,190,000 at a coupon rate of 5% per annum. The bonds are due for repayment three years from the issue date at their nominal value of US\$3,190,000 plus accrued interest at maturity of US\$478,000 or may be converted to share capital of the Company of 19,829,729 shares at the option of the Bondholder at fixed conversion rate of US\$0.185 (equivalent to S\$0.25) per share.

The fair value of the liability component at initial recognition is the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at that time by the market to convertible bonds of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option. The equity component is assigned the residual amount after deducting from the fair value of the convertible bond as a whole the amount separately determined for the liability component.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

23. CONVERTIBLE BONDS (CONTINUED)

The carrying amount of the liability component of the convertible bonds at the reporting date is derived as follows:

	Group	
	2021	2020
	US\$'000	US\$'000
Face value of convertible bonds at issuance	3,190	3,190
Equity conversion component on initial recognition [Note 28(e)]	(66)	(66)
Liability component on initial recognition	3,124	3,124
Accumulated interest payables	410	250
Liability component at end of financial year	3,534	3,374

24. PROVISIONS

The Group uses a piece of land for its operations. A provision is recognised for the present value of cost to be incurred for the restoration of the land. The estimate is based on management's judgement.

	Group	
	2021	2020
	US\$'000	US\$'000
Beginning of financial year	92	-
Provision made	13	92
End of financial year	105	92

25. DEFERRED INCOME TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts determined after appropriate offsetting, are shown on the statements of financial position as follows:

	Group	
	2021	2020
	US\$'000	US\$'000
<i>Deferred income tax liabilities</i>		
- To be settled within one year	23	43
- To be settled after one year	2,155	2,182
	2,178	2,225

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

25. DEFERRED INCOME TAXES (CONTINUED)

The movement in deferred income tax liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

	Group	
	2021 US\$'000	2020 US\$'000
<i>Fair value of land and buildings</i>		
Beginning of financial year/period	684	708
Credited to profit or loss	(20)	(24)
End of financial year/period	664	684
<i>Fair value of customer relationship</i>		
Beginning of financial year/period	310	350
Credited to profit or loss	(27)	(40)
End of financial year/period	283	310
<i>Fair value of investment properties</i>		
Beginning and end of financial year/period	1,231	1,231

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

26. SHARE CAPITAL

Group	Issued Share Capital	
	No. of Ordinary shares '000	Amount US\$'000
	2021	
As at 1 October 2020 and 30 September 2021	502,171	84,544
2020		
As at 1 April 2019	501,671	84,472
Issuance of new shares (a)	500	72
As at 30 September 2020	502,171	84,544
Company	Issued Share Capital	
	No. of Ordinary shares '000	Amount US\$'000
	2021	
As at 1 October 2020 and 30 September 2021	502,171	84,839
2020		
As at 1 April 2019	501,671	84,767
Issuance of new shares (a)	500	72
As at 30 September 2020	502,171	84,839

All issued ordinary shares are fully paid. There is no par value for these ordinary shares. Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

The newly issued shares rank pari passu in all respects with the previously issued shares.

(a) On 30 April 2019, the Company issued 500,000 ordinary shares at US\$0.144 (equivalent to S\$0.196) each amounting to US\$72,000 pursuant to the performance share awards.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

27. PERFORMANCE SHARES

Performance shares are awarded free of charge to eligible participants under Memories Performance Share Plan (the "Memories PSP") after taking into account criteria such as the rank, scope of responsibilities, performance, years of services and potential for future development of the participant. The length of the vesting period in respect of each award is determined by the Remuneration Committee ("RC") on a case-by-case basis taking into consideration the length of service of the participant and the need to retain the participant so as to encourage him/her to continue serving the Group for a further period even after having satisfied the performance target.

The release of Performance Share Award is subject to the achievement of certain pre-determined performance conditions as determined by the RC or otherwise in accordance with the rules of the Memories PSP.

On 4 April 2018 ("Date of Grant"), the Company granted an Award for an aggregate of 1,000,000 shares (the "Shares Award") to the then Chief Executive Officer ("CEO") of the Company, pursuant to the Memories PSP. The then CEO resigned on 31 January 2019 and 50% of the Shares Award was forfeited during the financial year ended 31 March 2019. On 30 April 2019, 500,000 shares being the balance of 50% of the Shares Award were released.

The fair value of the share awards released, granted and vested determined based on the closing price of the Company's shares as quoted on the SGX-ST as at the date of grant of US\$0.144 (equivalent to S\$0.196) was estimated to be US\$72,000.

28. OTHER RESERVES

Composition

	Group	
	2021	2020
	US\$'000	US\$'000
Capital reserve	566	566
Merger reserve	(20,190)	(20,190)
Equity component of convertible bonds (Note 23)	66	66
	(19,558)	(19,558)
	Company	
	2021	2020
	US\$'000	US\$'000
Capital reserve	566	566
Currency translation reserve	(47)	(47)
Equity component of convertible bonds	66	66
	585	585

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

28. OTHER RESERVES (CONTINUED)

Other reserves are non-distributable.

- (a) Capital reserve represents the fair value of the 3,890,640 consideration shares to be issued to the vendors for acquisition of KR business during the financial year [Note 34(a)].
- (b) Merger reserve represents the differences between the cost of investment recorded at the fair value of the equity shares issued by the Company and the share capital of each of the entity under common control.
- (c) Currency translation reserve

	Group	
	2021	2020
	US\$'000	US\$'000
Beginning of financial year	–	(2,498)
Effect of change in functional currency of subsidiary corporation	–	2,498
End of financial year	–	–

	Company	
	2021	2020
	US\$'000	US\$'000
Beginning and end of financial year/period	(47)	(47)

- (d) Performance share reserve represents the fair value of 500,000 performance shares granted to the eligible employee during the financial year ended 30 September 2018. On 30 April 2019, 500,000 shares being the balance 50% of the Shares Award were released.
- (e) Equity component of convertible bonds

	Group	
	2021	2020
	US\$'000	
Beginning of financial year	66	–
Convertible bonds – equity component (Note 23)	–	66
End of financial year	66	66

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

29. ACCUMULATED LOSSES

- (a) Retained profits of the Group and the Company are fully distributable, if any.
- (b) Movement in accumulated losses of the Company is as follows:

	Company	
	2021	2020
	US\$'000	US\$'000
Beginning of financial year	(23,350)	(7,323)
Net loss	(516)	(16,027)
End of financial year	(23,866)	(23,350)

30. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and interest rate risk), credit risk, and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

Financial risk management is carried out centrally in accordance with the policies set by the Board of Directors. The Group identifies and evaluates financial risks in close co-operation with the Group's operating units and measures actual exposures against the limits set and report to the Board of Directors regularly.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

Financial risk factors (continued)

(a) Market risk

(i) Currency risk

The Group operates predominately in Myanmar and Singapore. Entities in the Group regularly transact currencies other than their respective functional currency ("foreign currencies").

Currency risk arises when transactions are denominated in foreign currencies such as Myanmar Kyat ("Kyat") and Singapore Dollar ("SGD"). The Group manages currency risks, when it is considered significant, by entering into appropriate currency forward contracts when they are available. At the reporting date, the Group has not entered into any currency forward contracts.

The Group's currency exposure based on the information provided to key management is as follows:

	USD US\$'000	Kyat US\$'000	SGD US\$'000	Others US\$'000	Total US\$'000
As at 30 September 2021					
Financial assets					
Cash and bank balances	79	21	30	-	130
Financial assets, at FVPL	2,209	-	-	-	2,209
Trade and other receivables	2,145	87	-	-	2,232
Receivables from subsidiary corporations	59,636	13,642	4,559	80	77,917
	64,069	13,750	4,589	80	82,488
Financial liabilities					
Trade and other payables	(9,932)	(2,337)	(1,005)	-	(13,274)
Borrowings	(1,805)	(25,924)	-	-	(27,729)
Convertible bonds	(3,534)	-	-	-	(3,534)
Payables to subsidiary corporations	(59,636)	(13,642)	(4,559)	(80)	(77,917)
	(74,907)	(41,903)	(5,564)	(80)	(122,454)
Net financial liabilities	(10,838)	(28,153)	(975)	-	(39,966)
Add: Net non-financial assets	62,034	86	9	-	62,129
Currency profile including non financial assets and liabilities	51,196	(28,067)	(966)	-	22,163
Currency exposure of financial liabilities net of those denominated in the respective entities' functional currency	-	(28,153)	(975)	-	(29,128)

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

The Group's currency exposure based on the information provided to key management is as follows:

	USD US\$'000	Kyat US\$'000	SGD US\$'000	Others US\$'000	Total US\$'000
As at 30 September 2020					
Financial assets					
Cash and bank balances	216	137	45	8	406
Financial assets, at FVPL	2,414	-	-	-	2,414
Trade and other receivables	606	2,401	4	-	3,011
Receivables from subsidiary corporations	58,191	14,749	4,442	80	77,462
	61,427	17,287	4,491	88	83,293
Financial liabilities					
Trade and other payables	(9,463)	(2,498)	(567)	-	(12,528)
Borrowings	(3,528)	(29,429)	-	(21)	(32,978)
Convertible bonds	(3,374)	-	-	-	(3,374)
Payables to subsidiary corporations	(58,191)	(14,749)	(4,442)	(80)	(77,462)
	(74,556)	(46,676)	(5,009)	(101)	(126,342)
Net financial liabilities	(13,129)	(29,389)	(518)	(13)	(43,049)
Add/(Less): Net non-financial (liabilities)/assets	(80,324)	(92)	148,337	39	67,960
Currency profile including non-financial assets and liabilities	(93,453)	(29,481)	147,819	26	24,911
Currency exposure of financial liabilities net of those denominated in the respective entities' functional currency	-	(29,389)	(518)	(13)	(29,920)

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(i) Currency risk (continued)

If the Kyat and SGD change against the USD by 28% and 2% (30 September 2020: 13% and 1%) respectively, with all other variables including tax rate being held constant, the effects arising from the net financial position on the Group's results before income tax will be as follows:

	2021 US\$'000	2020 US\$'000
<i>Increase/(Decrease)</i>		
Kyat against USD		
- strengthened	(7,883)	(3,821)
- weakened	7,883	3,821
<i>Increase/(Decrease)</i>		
SGD against USD		
- strengthened	(20)	(5)
- weakened	20	5

The Company's currency exposure based on the information provided to key management is as follows:

	USD US\$'000	Kyat US\$'000	SGD US\$'000	Total US\$'000
As at 30 September 2021				
Financial assets				
Cash and bank balances	14	-	22	36
Trade and other receivables	6,834	199	6,428	13,461
	6,848	199	6,450	13,497
Financial liabilities				
Trade and other payables	(16,637)	(306)	1,055	(15,888)
Convertible bonds	(3,534)	-	-	(3,534)
	(20,171)	(306)	1,055	(19,422)
Net financial (liabilities)/assets	(13,323)	(107)	7,505	(5,925)
Add: Net non-financial assets	1	-	67,482	67,483
Currency profile including non-financial assets and liabilities	(13,322)	(107)	74,987	61,558
Currency exposure of financial (liabilities)/assets net of those denominated in the Company's functional currency	-	(107)	7,505	7,398

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

30. Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The Company's currency exposure based on the information provided to key management is as follows:

	USD US\$'000	Kyat US\$'000	SGD US\$'000	Total US\$'000
As at 30 September 2020				
Financial assets				
Cash and bank balances	55	-	36	91
Trade and other receivables	6,523	275	6,312	13,110
	6,578	275	6,348	13,201
Financial liabilities				
Trade and other payables	(16,194)	(426)	1,378	(15,242)
Convertible bonds	(3,374)	-	-	(3,374)
	(19,568)	(426)	1,378	(18,616)
Net financial (liabilities)/assets	(12,990)	(151)	7,726	(5,415)
Add: Net non-financial assets	15,370	-	52,119	67,489
Currency profile including non-financial assets and liabilities	2,380	(151)	59,845	62,074
Currency exposure of financial assets net of those denominated in the Company's functional currency	-	(151)	7,726	7,575

If the Kyat and SGD change against the USD by 28% and 2% (30 September 2020: 13% and 1%) respectively, with all other variables including tax rate being held constant, the effects arising from the net financial position on the Company's result before income tax will be as follows:

	Company	
	2021 US\$'000	2020 US\$'000
<i>Increase/(Decrease)</i>		
Kyat against USD		
- strengthened	(30)	(20)
- weakened	30	20
<i>Increase/(Decrease)</i>		
SGD against USD		
- strengthened	150	77
- weakened	(150)	(77)

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (continued)

(ii) *Cash flow and fair value interest rate risk*

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flow are substantially independent of changes in market interest rates as its financial assets are non-interest bearing and its borrowings are at fixed interest rate. Therefore, the Group has no significant exposure on the changes in market interest rates.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally the Group's receivables from customers. The Group adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collateral where appropriated to mitigate credit risk; and
- High credit quality counterparties.

The Group provides destination management services, accommodation (hotels and resorts) and recreation experiences to its customers. Due to the nature of the Group's businesses, the customers are generally required to pay in advance, except for the travel agencies which are granted certain credit limits and amounts.

Credit exposure to travel agencies is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Group level of management.

As at 30 September 2021, trade receivables of the Group amounting to US\$290,000 (30 September 2020: US\$328,000) comprise 1 debtor (30 September 2020: 1 debtor) that individually represented 91% (30 September 2020: 52%) of trade receivables at each reporting date.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Group uses a provision matrix to measure the lifetime expected credit loss ("ECL") allowance for trade receivables.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

In measuring the expected credit losses, trade receivables are grouped based on their shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables

Trade receivables are written-off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. The Group categorises trade receivables for potential write-off when the counterparty fails to make contractual payments more than 180 days past due which are derived based on the Group's historical information. Where receivables are written-off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 30 September 2021 and 30 September 2020 are set out in the provision matrix as follows:

Group	Current US\$'000	Past due				Total US\$'000
		Within 30 days US\$'000	1 to 3 months US\$'000	4 to 6 months US\$'000	Over 6 months US\$'000	
30 September 2021						
Trade receivables						
- Related parties	5	1	1	4	1	12
- Non-related parties with commitments	10	2	5	12	442	471
- Non-related parties without commitments	-	-	-	-	52	52
	15	3	6	16	495	535
Loss allowance	-	-	-	-	217	217
30 September 2020						
Trade receivables						
- Related parties	7	42	12	27	101	189
- Non-related parties with commitments	1	2	-	10	420	433
- Non-related parties without commitments	3	25	2	93	61	184
	11	69	14	130	582	806
Loss allowance	-	25	2	93	61	181

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (continued)

The movements in loss allowance are as follows:

	Group	
	2021 US\$'000	2020 US\$'000
Beginning of financial year/period	181	36
Loss allowance recognised in profit or loss during the financial year on:		
- recovered during the financial year/period	(32)	(36)
- loss allowance	68	181
Net impact to profit or loss	36	145
End of financial year/period (Note 13)	217	181

Other financial assets, at amortised cost

The Group's and the Company's other financial assets recognised at amortised cost mainly comprised of cash and cash equivalents, non-trade receivables from related parties and deposits. These other financial assets are subject to immaterial credit loss.

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to these receivables in estimating the probability of default of each of these other financial assets.

For the purpose of impairment assessment, loss allowance is generally measured at an amount equal to 12-month ECL as there is low risk of default and strong capability to meet contractual cash flows. When the credit quality deteriorates and the resulting credit risk of other financial assets increase significantly since its initial recognition, the 12-month ECL would be replaced by lifetime ECL.

Other financial assets are written-off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of other receivables to engage in a repayment plan with the Group or the Company, and a failure to make contractual payments.

The movements in loss allowance are as follows:

	Group	
	2021 US\$'000	2020 US\$'000
Beginning of financial year/period	-	-
Loss allowance recognised during the financial year/period	81	-
End of financial year/period (Note 13)	81	-

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities. The Group's and Company's ability to make scheduled payments or refinance its obligations depends on the Group's successful financial and operating performance, cash flows and capital resources, which in turn depend upon prevailing economic conditions and certain financial, business and other factors.

The Group's and the Company's ability to repay or refinance its indebtedness will also depend on its future financial and operating performance. The Group's performance, in turn, will be subject to prevailing economic and competitive conditions, as well as financial, business, legislative, regulatory, industry and other factors, many of which are beyond the Group's control. The Group's and the Company's ability to meet its debts service and other obligations may depend in significant part on the extent to which the Group can implement successfully its business growth and cost reduction strategies. The Group and the Company cannot provide any assurance that it will be able to implement its strategy fully or that the anticipated results of its strategy will be realised.

Prudent liquidity risk management includes maintaining sufficient cash. At the reporting date, assets held by the Group for managing liquidity risk included cash and bank balances.

Management monitors working capital projections regularly, taking into account the available banking facilities to ensure that the Group has adequate working capital to meet current requirements.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year US\$000	Between 2 to 5 years US\$000	More than 5 years US\$000
Group			
At 30 September 2021			
Trade and other payables	13,274	-	-
Bank borrowings	7,191	26,744	2,516
Convertible bonds	3,669	-	-
Provision	-	-	42,473
	24,134	26,744	44,989
At 30 September 2020			
Trade and other payables	12,528	-	-
Bank borrowings	6,082	32,068	4,342
Convertible bonds	-	3,669	-
Provision	-	-	42,473
	18,610	35,737	46,815
Company			
At 30 September 2021			
Trade and other payables	15,888	-	-
Convertible bonds	3,669	-	-
Financial guarantee	-	25,507	-
	19,557	25,507	-
At 30 September 2020			
Trade and other payables	15,091	-	-
Convertible bonds	-	3,669	-
Financial guarantee	-	27,468	-
	15,091	31,137	-

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The Board of Directors monitors its operating results and assets to assess the Group's capital requirements. The Group manages its capital structure and makes adjustments to it in consideration of many factors including (a) the changes in economic conditions, (b) the availability of comparatively advantageous financial strategies, (c) the cost of financing, and (d) the impact of changes in the Group's liquidity and funding needs pertaining to the Group's business activities.

In order to adjust or maintain the capital structure, the Group may consider issuing debt either on fixed or floating, arrange or restructure committed debt facilities, issue new shares or adjust the amount or dividend payment. Management monitors capital based on working capital ratio. The Group's strategies are to maintain a working capital ratio not lower than 1. As at 30 September 2021, the Group's and the Company's working capital ratio is less than 1, however management is confident that the Group and the Company have resources to continue in operational existence for at least the next 12 months from the reporting date based on the going concern assumptions set out in Note 3.

The working capital ratio is calculated as current assets divided by current liabilities.

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Current assets	2,323	3,095	13,498	13,208
Current liabilities	22,990	16,848	19,422	15,242
Working capital ratio	0.10	0.18	0.69	0.87

The Group and the Company are not subject to externally imposed capital requirements for the financial year ended 30 September 2021 and the financial period ended 30 September 2020 respectively.

(e) Fair value measurement

The carrying amounts of current receivables and payables are assumed to approximate their fair values.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

30. FINANCIAL RISK MANAGEMENT (CONTINUED)

- (f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as disclosed on the face of the statements of financial position, except for the following:

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Financial assets, at amortised cost	2,362	3,417	13,497	13,201
Financial assets, at FVPL	2,209	2,414	-	-
Financial liabilities, at amortised cost	44,537	48,880	19,422	18,616

31. RELATED PARTY TRANSACTIONS

- (a) In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties on terms agreed between the parties:

	Group	
	For the financial year from 1 October 2020 to 30 September 2021	For the financial period from 1 April 2019 to 30 September 2020
	US\$'000	US\$'000
Sales and purchases of goods and services and other transactions	638	1,352
Rental expenses paid/ payable to related parties	124	307
Project management fee charged by a related party	2	192
Interest charged for loan to related party	134	131

Outstanding balances at 30 September 2021 and 30 September 2020, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Note 13 and Note 20 respectively.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

31. RELATED PARTY TRANSACTIONS (CONTINUED)

- (b) Key management personnel compensation

	Group	
	For the financial year from 1 October 2020 to 30 September 2021 US\$'000	For the financial period from 1 April 2019 to 30 September 2020 US\$'000
Wages, salaries and bonus	245	805
Other short-term benefits	68	129
Directors fees	71	113
	384	1,047

32. COMMITMENTS AND CONTINGENT

- (a) Capital commitments

The Group has capital expenditures amounting to nil (2020: US\$153,000) contracted for at the reporting date but not recognised in the financial statements.

- (b) Contingent liabilities – The Company

As at 30 September 2021, the Company has provided corporate guarantee for borrowings of its subsidiary corporations amounting to US\$25,507,000 (2020: US\$27,468,000).

The Directors have estimated the fair value of the corporate guarantee is negligible in view that the consequential benefits to be derived from its guarantee are not material and therefore not recognised. It is considered unlikely that the Company will be held liable as a result of the corporate guarantee since there are no default in payment of borrowings by the subsidiary corporations to which guarantees are provided.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

33. SEGMENT INFORMATION

Management has determined the operating segment based on the reports reviewed by the Management Team that are used to make strategic decisions. The Management Team comprises the Chief Executive Officer, Chief Operating Officer, Financial Controller and head of each business segment. The Group currently operates only in Myanmar and the operating segments are organised into business units based on their services as follows:

(a) Experiences segment

The Group's Experiences segment comprise of commercial hot air balloon business and sea cruise.

The Group, through SLTG, operates a full service commercial hot air balloon business operating under the brand "Balloons over Bagan" in Bagan and Inle Lake area (the "BOB Business"). The BOB Business provides an all-around luxury experience to its customers which includes (i) complimentary pick up from accommodation in converted vintage buses; (ii) pre-flight coffee, tea and refreshments; (iii) a guided interactive tour of the hot air balloon during inflation; (iv) a champagne breakfast upon landing; and (v) issuance of a flight certificate award before sending guests back to their accommodation.

The Group, through Burma Boating, provides a premium cruising experience on luxury yacht operating under the brand "Burma Boating" in the Mergui Archipelago in southern Myanmar (the "BB Business"). The BB Business provides an all-around luxury experience to its customers which includes (i) private charter of the whole yacht; and (ii) join a cruise with other travelers. This reportable segment has been formed by aggregating the sale of merchandise to customers, which are regarded by management to exhibit similar economic characteristics.

(b) Services segment

The Group's Services segment provides destination management services (i.e full-scale and customised services in designing and implementing tours) through AHTT under the brand "Asia Holiday". Such services include (i) designing and preparing fully customised itineraries for tour packages; (ii) organising unique excursions, activities and cultural experiences to cater to specific end-customers' preferences; (iii) managing tour logistics, including recommending and booking of accommodations, restaurants and transportation; (iv) organising meetings, incentives, travel, conventions and exhibition events; and (v) provision of travel guides of various languages in Myanmar.

The Group launched the Memories Travel brand to the travel industry during the prior financial period as an experience-driven DMC (Destination Management Company) which specialise in curating unique Myanmar experiences and bespoke itineraries to supplement the existing business in AHTT.

The Group has also ventured into new food and beverage ("F&B") outlets and restaurant management services, overseen by its F&B management team, which synergised existing and future F&B operation through wider customer base and economies of scale.

(c) Hotels segment

Under the Hotels segment, the Group currently owns and operates five properties across five major destinations in Myanmar, namely Keinnara Hpa-An, Kennaira Loikaw, Awei Metta, Awei Pila and Hotel Suggati Mawlamyaing. The Group operates an integrated tourism platform which allows it to cohesively brand and manage its products and services. This reportable segment has been formed by aggregating the sale of food and beverage to customers, which are regarded by management to exhibit similar economic characteristics.

Except as indicated above, no other operating segments have been aggregated to form the above reportable operating segments.

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

33. SEGMENT INFORMATION (CONTINUED)

The segment information provided to the Management Team for the reportable segments and reconciliation to consolidated statements of comprehensive income are as follows:

	← Myanmar →			Singapore	Total US\$'000
	Services US\$'000	Experiences US\$'000	Hotels US\$'000	Corporate US\$'000	
For the financial year from 1 October 2020 to 30 September 2021					
Total segment revenue	639	24	1,468	-	2,131
Inter segment revenue	(2)	(21)	(13)	-	(36)
Revenue from external parties	637	3	1,455	-	2,095
Adjusted EBIDTA	177	(235)	758	-	700
Other (losses)/income, net	(1,298)	(302)	(1,501)	319	(2,782)
Loss allowance on trade and other receivables, net	(26)	(1)	(90)	-	(117)
Expenses					
Administrative	(710)	(2,060)	(3,086)	(837)	(6,693)
Distribution and marketing	2	(43)	(10)	-	(51)
Finance	(39)	2,417	3,962	(185)	6,155
Loss before income tax					(2,788)
Income tax credit					40
Net loss					(2,748)
Net loss includes:					
- Depreciation of property, plant and equipment	(112)	(653)	(1,721)	-	(2,486)
- Amortisation of intangible assets	(107)	-	-	-	(107)
- Impairment loss on goodwill	(1,400)	-	-	-	(1,400)
- Impairment loss on intangible assets at indefinite useful lives	(391)	-	-	-	(391)
- Fair value loss on investment properties	-	-	(1,250)	-	(1,250)
- Fair value loss on financial assets, at FVPL	-	-	(205)	-	(205)
Segment assets	452	9,889	55,943	4,031	70,315
Additions to:-					
- Property, plant and equipment	420	486	131	-	1,037
Segment liabilities	1,537	16,630	24,595	5,390	48,152

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

33. SEGMENT INFORMATION (CONTINUED)

	← Myanmar →			Singapore	Total US\$'000
	Services US\$'000	Experiences US\$'000	Hotels US\$'000	Corporate US\$'000	
For the financial period from 1 April 2019 to 30 September 2020					
Revenue					
Total segment revenue	1,770	5,599	3,342	-	10,711
Inter-segment revenue	(2)	(140)	(46)	-	(188)
Revenue from external parties	1,768	5,459	3,296	-	10,523
Adjusted EBIDTA	366	2,415	1,183	-	3,964
Other (losses)/income, net	(4,245)	769	(10,669)	(598)	(14,743)
Loss allowance on trade receivables, net	10	(1)	(154)	-	(145)
Expenses					
Administrative	(1,609)	(3,653)	(8,375)	(1,750)	(15,387)
Distribution and marketing	(44)	(123)	(331)	(8)	(506)
Finance	(4)	(4,537)	(4,283)	(330)	(9,154)
Loss before income tax					(35,971)
Income tax credit					4
Net loss					(35,967)
Net loss includes:					
Depreciation of property, plant and equipment	(64)	(1,120)	(3,096)	(1)	(4,281)
Amortisation of intangible assets	(161)	-	-	-	(161)
Impairment loss on goodwill	(4,084)	(261)	(790)	-	(5,135)
Impairment loss on property, plant and equipment	-	-	(9,639)	-	(9,639)
Fair value gain on investment properties	-	-	402	-	402
Fair value loss on financial assets, at FVPL	-	-	-	(776)	(776)
Segment assets	2,195	12,294	59,525	3,363	77,377
Additions to:-					
Property, plant and equipment	5	347	753	-	1,105
Segment liabilities	1,524	21,820	26,934	2,188	52,466

NOTES TO THE *Financial Statements*

For the financial year ended 30 September 2021

33. SEGMENT INFORMATION (CONTINUED)

The revenue from external parties reported to the Management Team is measured in a manner consistent with that in the statement of comprehensive income.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with non-related parties.

The Management Team assesses the performance of the operating segments based on segment results which represent the gross profit earned by each segment.

All non-current assets of the Group are located in Myanmar except for the Company's property, plant and equipment with carrying amount of nil (2020: US\$307).

Revenue from major products and services is as disclosed in Note 5. There is no revenue derived from any customer which accounted for 10 per cent or more of the Group's total revenue for the financial year ended 30 September 2021 and the financial period ended 30 September 2020.

34. COMPARATIVE NUMBERS

The current financial period covers a period of twelve months from 1 October 2020 to 30 September 2021. The comparative figures which cover a period of eighteen months from 1 April 2019 to 30 September 2020 for the statements of comprehensive income and statement of cash flows and related notes are therefore not entirely comparable with those of the current financial year.

35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the mandatory standards and amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 October 2021 and which the Group has not early adopted.

Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 April 2023)

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

NOTES TO THE

Financial Statements

For the financial year ended 30 September 2021

35. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (CONTINUED)

Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 April 2022)

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PPE) prohibits an entity from deducting from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assess the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

Amendments to SFRS(I) 37 Provisions, Contingent Liabilities and Contingent Asset (effective for annual periods beginning on or after 1 April 2022)

The amendments provide new guidance on the assessment of an onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendments to SFRS(I) 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

These amendments are applied to business combinations and asset acquisitions with acquisition date on or after 1 April 2021. Early application is permitted. The Group does not expect any significant impact arising from applying these amendments.

36. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Memories Group Limited on 11 January 2022.

STATISTICS OF

Shareholdings

As at 17 December 2021

No. of Issued and fully paid-up shares	:	502,170,955
Class of Shares	:	Ordinary Share
Voting Rights	:	1 Vote Per Share
Treasury Shares	:	Nil
Subsidiary Holdings	:	Nil

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	79	3.00	2,540	0.00
100 - 1,000	1,774	67.45	532,004	0.11
1,001 - 10,000	620	23.57	2,035,284	0.40
10,001 - 1,000,000	144	5.48	7,283,200	1.45
1,000,001 & ABOVE	13	0.50	492,317,927	98.04
TOTAL	2,630	100.00	502,170,955	100.00

TOP TWENTY SHAREHOLDERS

(as shown in the Register of Members and Depository Agent)

	NO. OF SHARES	%
RAFFLES NOMINEES (PTE) LIMITED	141,129,531	28.10
UOB KAY HIAN PTE LTD	136,494,067	27.18
FIRST MYANMAR INVESTMENT PUBLIC COMPANY LIMITED	41,947,426	8.35
CITIBANK NOMINEES SINGAPORE PTE LTD	35,700,183	7.11
SHC CAPITAL HOLDINGS PTE LTD	35,662,759	7.10
YOMA STRATEGIC INVESTMENTS LTD.	31,159,449	6.21
PHILLIP SECURITIES PTE LTD	29,624,166	5.90
ACE VENTURE OPPORTUNITIES SPC ON BEHALF OF MT SP	20,445,836	4.07
JEAN-MICHEAL ALAIN ROMON	6,817,373	1.36
OCBC SECURITIES PRIVATE LTD	5,179,387	1.03
KUN NAUNG MYINT WAI	3,890,640	0.78
DBS NOMINEES PTE LTD	2,934,610	0.58
RAMESH S/O PRITAMDAS CHANDIRAMANI	1,332,500	0.27
PIAK BOON SENG	773,514	0.15
LAM SOON REALTY PTE LTD	334,714	0.07
HSBC (SINGAPORE) NOMINEES PTE LTD	319,500	0.06
CRICHTON GREGORY ROBERT SCOTT	264,285	0.05
FORTE CAPITAL MANAGEMENT PTE LTD	250,000	0.05
MAYBANK KIM ENG SECURITIES PTE. LTD.	223,081	0.04
UNITED OVERSEAS BANK NOMINEES PTE LTD	196,355	0.04
	494,679,376	98.50

STATISTICS OF

Shareholdings

As at 17 December 2021

SUBSTANTIAL SHAREHOLDERS

(as shown in the Register of Substantial Shareholders)

	DIRECT INTEREST		DEEMED INTEREST	
	NO. OF SHARES	% OF TOTAL ISSUED SHARES ⁽¹⁾	NO. OF SHARES	% OF TOTAL ISSUED SHARES ⁽¹⁾
Serge Pun @ Theim Wai ⁽²⁾	103,000	0.02	209,026,074	41.62
Yoma Strategic Holdings Ltd. ("YSH") ⁽³⁾	-	-	167,078,848	33.27
Yoma Strategic Investments Ltd. ("YSIL")	167,078,848	33.27	-	-
Yangon Land Company Limited ⁽⁴⁾	-	-	41,947,426	8.35
First Myanmar Investment Public Company Limited ("FMI")	41,947,426	8.35	-	-
ACE Venture Opportunities on behalf of Myanmar Tourism S.P	41,131,520	8.19	-	-
Shirish Sharaf ⁽⁵⁾	-	-	141,004,800	28.08
2S Holdings ⁽⁵⁾	-	-	141,004,800	28.08
Samena Capital Investors Co ⁽⁵⁾	-	-	141,004,800	28.08
Samena General Partner III Limited ⁽⁵⁾	-	-	141,004,800	28.08
Samena Capital ⁽⁵⁾	-	-	141,004,800	28.08
Samena Special Situations Fund III LP ⁽⁵⁾	-	-	141,004,800	28.08
Samena Mandalay Holdings	141,004,800	28.08	-	-
SHC Capital Holdings Pte. Ltd.	35,662,759	7.10	-	-
See Hoy Chan Holdings Pte. Ltd. ⁽⁶⁾	-	-	35,662,759	7.10
See Hoy Chan Sdn. Berhad ⁽⁶⁾	-	-	35,662,759	7.10
Mr. Teo Soo Chew ⁽⁷⁾	-	-	35,662,759	7.10
Mr. Teo Soo Kiat ⁽⁷⁾	-	-	35,662,759	7.10
Mr. Teo Chiang Kai ⁽⁷⁾	-	-	35,662,759	7.10

STATISTICS OF *Shareholdings*

As at 17 December 2021

Notes:

- (1) Percentage is calculated based on total number of issued shares comprising 502,170,955 shares as at 17 December 2021.
- (2) Mr. Serge Pun is deemed interested in 209,026,274 shares held by YSIL and FMI as he holds an aggregate (both direct and deemed) (a) 28.13% shareholding interest in YSH, which owns the entire shareholding in YSIL; and (b) approximately 48.1% shareholding interests in FMI.
- (3) YSH is deemed interested in the 167,078,848 shares held by YSIL arising from its 100.00% interest in YSIL.
- (4) Yangon Land Company Limited is deemed interested in the 41,947,426 shares held by FMI arising from its 51.00% interest in FMI.
- (5) Samena Mandalay Holdings ("SMH") is the vehicle through which Samena Capital holds its investment in the Company. Samena Special Situations Fund III is deemed interested in the 141,004,800 shares in the capital of the Company held by SMH, arising from its 100.0% shareholding interest in SMH. Samena Capital holds a deemed interest because it has indirect control of SMH which is directly interested in the 141,004,800 shares in the capital of the Company. Samena General Partner III Limited holds a deemed interest because it has indirect control of SMH which is directly interested in the 141,004,800 shares in the capital of the Company. Samena Capital Investors Co holds a deemed interest through its over 20% shareholding of Samena Capital, which has indirect control of SMH which is directly interested in the 141,004,800 shares in the capital of the Company. 2S Holdings holds a deemed interest through its over 20% shareholding of Samena Capital, which has indirect control of SMH which is directly interested in the 141,004,800 shares in the capital of the Company. Shirish Saraf holds a deemed interest through his ownership and control of entities which have over 20% shareholding of Samena Capital, which has indirect control of SMH which is directly interested in the 141,004,800 shares in the capital of the Company. Shirish Saraf owns 100% of the shares in 2S Holdings, and 100% of the voting rights in Samena Capital Investors Co.
- (6) See Hoy Chan Holdings Pte. Ltd. is deemed interested in 35,662,779 shares in the Company held by SHC Capital Holdings Pte. Ltd. arising from its 100% interest in SHC Capital Holdings Pte. Ltd. See Hoy Chan Sdn. Berhad is deemed interested in the 35,662,759 shares held by See Hoy Chan Holdings Pte. Ltd. arising from its 100% interest in See Hoy Chan Holdings Pte. Ltd.
- (7) Messrs Teo Soo Chew, Teo Soo Kiat and Teo Chiang Khai are deemed to be interested in the shares held by SHC Capital Holdings Pte Ltd by virtue of their respective interests in See Hoy Chan Sdn. Berhad.

PUBLIC SHAREHOLDERS

Rule 723 of the Catalist Rules requires that at least 10% of the total number of issued shares (excluding preference shares and convertible equity securities) of a listed company in a class that is listed is at all times held by the public. Based on information available to the Company as at 17 December 2021, approximately 14.99% of the issued ordinary shares of the Company was held by the public and therefore, Rule 723 of the Catalist Rules has been complied with.

NOTICE OF *Annual General Meeting*

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of MEMORIES GROUP LIMITED (the “Company”) will be convened and held by way of electronic means on Thursday, 27 January 2022 at 10.00 a.m. (Singapore time) to transact the following business:-

A. ORDINARY BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

1. To receive and adopt the Directors’ Statement and Audited Financial Statements of the Company for the financial year ended 30 September 2021 together with the Independent Auditor’s Report thereon.

(Resolution 1)

2. To approve the payment of Directors’ fees of up to S\$106,000 payable by the Company for the financial year ending 30 September 2022, payable quarterly in arrears.

(See Explanatory Note 1)

(Resolution 2)

3. To re-elect Mr. Pun Chi Yam Cyrus as a Director of the Company, who is retiring pursuant to Regulation 99(2) of the Constitution of the Company and who, being eligible, will offer himself for re-election.

(See Explanatory Note 2)

(Resolution 3)

4. To re-elect Mr. Robin Lee Chye Beng as a Director of the Company, who is retiring pursuant to Regulation 99(2) of the Constitution of the Company and who, being eligible, will offer himself for re-election.

(See Explanatory Note 3)

(Resolution 4)

5. To re-appoint Nexia TS Public Accounting Corporation as Independent Auditor of the Company and to authorise the Directors of the Company to fix their remuneration.

(Resolution 5)

B. SPECIAL BUSINESS

To consider and if thought fit, to pass the following Ordinary Resolutions, with or without any modifications:

6. That pursuant to Section 161 of the Companies Act (Cap. 50) and Rule 806 of the Rules of Catalist (“Catalist Rules”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors of the Company be and are hereby authorised and empowered to issue:

(i) shares in the capital of the Company (“shares”); or

(ii) convertible securities; or

(iii) additional convertible securities issued pursuant to adjustments; or

NOTICE OF *Annual General Meeting*

(iv) shares arising from the conversion of the securities in (ii) and (iii) above,

(whether by way of rights, bonus or otherwise or in pursuance of any offer, agreement or option made or granted by the Directors during the continuance of this authority or thereafter) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit (notwithstanding the authority conferred by this Resolution may have ceased to be in force),

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed one hundred per cent. (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below) (“**Issued Shares**”), provided that the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of convertible securities made or granted pursuant to this Resolution) does not exceed fifty per cent. (50%) of the total number of Issued Shares;
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of Issued Shares shall be based on the total number of Issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - (i) new shares arising from the conversion or exercise of any convertible securities;
 - (ii) (where applicable) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with Catalist Rules of the SGX-ST; and
 - (iii) any subsequent bonus issue, consolidation or subdivision of shares;

adjustments in accordance with this sub-paragraphs 2(ii) or 2(iii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in a general meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

(See Explanatory Note 4)

(Resolution 6)

NOTICE OF *Annual General Meeting*

7. That for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST:
- (a) approval be and is hereby given for the Company and its subsidiary companies (the “**Group**”) or any of them to enter into any of the transactions falling within the categories of Interested Person Transactions, particulars of which are set out in the Company’s addendum to shareholders dated 11 January 2022 (the “**Addendum**”), with any party who is of the class or classes of Interested Persons described in the Addendum, provided that such transactions are made on normal commercial terms in accordance with the review procedures for Interested Person Transactions as described in the Addendum and are not prejudicial to the interests of the Company and its minority shareholders (the “**Shareholders’ Mandate**”);
 - (b) the Shareholders’ Mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier;
 - (c) the Audit and Risk Management Committee of the Company be and is hereby authorised to take such action as it deems proper in respect of procedures and/or to modify or implement such procedures as may be necessary to take into consideration any amendment to Chapter 9 of the Catalist Rules of the SGX-ST which may be prescribed by the SGX-ST from time to time; and
 - (d) the Directors be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they may consider necessary, desirable, expedient or in the interest of the Company to give effect to the Shareholders’ Mandate and/or this Resolution.

(See Explanatory Note 5)

(Resolution 7)

8. That authority be and is hereby given to the Directors of the Company to allot and issue from time to time such number of fully paid-up shares as may be required to be allotted and issued pursuant to the vesting of awards under the Memories Performance Share Plan (“**Memories PSP**”), whether granted during subsistence of this authority or otherwise, provided always that the aggregate number of shares to be allotted and issued pursuant to the Memories PSP and any other share-based incentive schemes of the Company shall not exceed fifteen per cent. (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

(See Explanatory Note 6)

(Resolution 8)

BY ORDER OF THE BOARD

Loo Hwee Fang
Lee Pih Peng
Joint Company Secretaries

Singapore
11 January 2022

NOTICE OF *Annual General Meeting*

Explanatory Notes:-

1. Ordinary Resolution 2 proposed above, if passed, will facilitate the payment of Directors' fees during the financial year in which the fees are incurred, that is, during the financial year from 1 October 2021 to 30 September 2022.
2. Mr. Cyrus Pun, when re-elected, will remain as an Executive Director.
3. Mr. Robin Lee Chye Beng, when re-elected, will be considered a Non-Executive Independent Director. He will be re-appointed as Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nominating Committee.

The Board of Directors considers him to be independent for the purpose of Rule 704(7) of the Catalist Rule of the SGX-ST.

4. Ordinary Resolution 6 proposed above, if passed, will empower the Directors, from the date of the above Annual General Meeting until the next annual general meeting, to issue shares in the capital of the Company and to make or grant convertible securities, and to issue shares in pursuance of such convertible securities, without seeking any further approval from shareholders in a general meeting, up to a number not exceeding hundred per cent. (100%) of the total number of Issued Shares of which up to fifty per cent. (50%) of the total number of Issued Shares may be issued other than on a pro rata basis to shareholders.
5. Ordinary Resolution 7 proposed above, if passed, will renew the existing shareholders' mandate that was approved by shareholders on 28 January 2021 to allow the Group to enter into certain interested person transactions with those classes of interested persons as described in the Addendum. and will empower the Directors to do all acts necessary to give effect to the Shareholders' Mandate.
6. Ordinary Resolution 8 proposed above, if passed, will empower the Directors to grant awards under the Memories PSP and to allot new shares pursuant to the vesting of such awards provided that the aggregate number of the shares to be issued when aggregated with the existing shares delivered and/or to be delivered pursuant to Memories PSP and any other share-based incentive schemes of the Company shall not exceed fifteen per cent. (15%) of the issued shares of the Company (excluding treasury shares and subsidiary holdings) from time to time.

"subsidiary holdings" has the meaning ascribed to it in the Catalist Rules of the SGX-ST.

Meeting Notes

General

1. The annual general meeting of the Company (the "AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, and as amended by COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) (Amendment No. 2) Order 2020. Printed copies of this Notice will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's corporate website <https://www.memoriesgroup.com/>. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. The Notice will not be advertised in the national newspaper.
2. To minimise physical interactions and COVID-19 transmission risks, a member of the Company will not be able to attend the AGM in person. Alternative arrangements are instead put in place to allow shareholders to participate in the AGM by:
 - (a) Observing and/or listening to the AGM proceedings via a Live Webcast (as defined below). Shareholders who wish to participate as such will have to pre-register in the manner outlined in Note 3 below;
 - (b) submitting questions ahead of the AGM. Please refer to Notes 7 to 8 below for further details; and
 - (c) voting by proxy at the AGM. Please refer to Notes 9 to 16 below for further details.

Participation in the AGM via live webcast or live audio feed

3. A shareholder of the Company or their corporate representatives (in the case of a member which is a legal entity) will be able to watch and/or listen to the proceedings of the AGM through a "live" audio-visual webcast via mobile phone, tablet or computer or through a "live" audio-only stream via mobile phone ("Live Webcast"). In order to do so, the member must pre-register by 10 a.m. on 24 January 2022 ("Registration Deadline"), at the Company's pre-registration website URL <https://memoriesgroup.com/annual-general-meeting>.
4. Following authentication of his/her/its status as a shareholder of the Company, such shareholder will receive an email on their authentication status and will be able to access the Live Webcast using the account created.
5. Shareholders who have registered by the Registration Deadline in accordance with Note 3 above but do not receive an email response by 5 p.m. on 25 January 2022 may contact the Company for assistance at the following email address: info@memoriesgroup.com, with the following details included: (1) the member's full name; and (2) his/her/its identification/ registration number.

NOTICE OF *Annual General Meeting*

6. Non-SRS holders whose shares are registered under Depository Agents (“DAs”) must also contact their respective DAs to indicate their interest in order for their respective DAs to make the necessary arrangements for them to participate in the Live Webcast of the AGM proceeding.

Submission of questions prior to the AGM

7. A shareholder of the Company may also submit questions relating to the resolutions to be tabled for approval at the AGM. Please note that shareholders will not be able to ask questions at the AGM “live” during the Live Webcast. The Company only address relevant and substantial questions (as may be determined by the Company in its sole discretion) prior to, or at, the AGM. The Company will publish the minutes of the AGM on SGXNET and the Company’s corporate website within one month after the date of AGM.
8. To do so, all questions must be submitted no later than **5 p.m. on 20 January 2022** either (i) via electronic means to the Company, through the Company’s pre-registration website at URL <https://memoriesgroup.com/annual-general-meeting>; or (ii) by post lodged with the Company’s Registered Office, at 63 Mohamed Sultan Road, #02-14 Sultan Link, Singapore 239002; or (iii) by email to info@memoriesgroup.com. The Company will respond to substantial and relevant questions by 10.00 a.m. on 23 January 2022 and post them on the Company’s website at URL <https://memoriesgroup.com/> as well as on the SGX website at URL <https://www.sgx.com/securities/company-announcements>.

Proxy Voting

9. Shareholders may only exercise their voting rights at the AGM via proxy voting. The accompanying proxy form for the AGM may be accessed via the Company’s corporate website at <http://www.memoriesgroup.com/>, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/companyannouncements>.
10. Shareholders (including Relevant Intermediaries*) who wish to vote on any or all of the resolutions at the AGM must submit a proxy form to appoint the Chairman of the Meeting as their proxy to do so on their behalf.

* *Relevant Intermediary(ies) has the meaning ascribed to it in Section 181 of the Companies Act, (Cap 50) of Singapore.*

11. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner: (a) if submitted by post, be lodged at the office of the Company at 63 Mohamed Sultan Road, #02-14 Sultan Link, Singapore 239002; or (b) if submitted electronically, be submitted by email to the Company at info@memoriesgroup.com, in either case by no later than 10 a.m. on 25 January 2022, being 48 hours before the time appointed for the AGM. A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above. **In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically.**
12. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by its attorney duly authorised in writing or by an authorised officer of the corporation, failing which the instrument of proxy may be treated as invalid.
13. CPF and SRS Investors who wish to submit their votes to appoint the Chairman of the Meeting as their proxy, should approach their respective CPF Agent Banks or SRS Operators, at least 7 working days before the AGM (i.e. by 10 a.m. on 17 January 2022).
14. The Chairman of the Meeting, as proxy, need not be a member of the Company.
15. A Depositor’s name must appear on the Depository Register maintained by The Central Depositor (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote at the AGM.
16. Please note that shareholders will not be able to vote through the Live Webcast and can only vote with their proxy forms which are required to be submitted in accordance with the foregoing paragraphs.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees to provide the Company with written evidence of such prior consent upon reasonable request.

ADDITIONAL INFORMATION

on Directors seeking re-election

Name of Persons	Pun Chi Yam Cyrus ("Mr. Cyrus Pun")	Robin Lee Chye Beng ("Mr. Robin C. Lee")
Age	42	56
Country of principal residence	Myanmar	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Cyrus Pun as the Chief Executive Officer and Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr. Cyrus Pun's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Mr. Robin C. Lee as the Non-Executive Independent Director was recommended by the Nominating Committee and the Board has accepted the recommendation, after taking into consideration Mr. Robin C. Lee's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chief Executive Officer and Executive Director	Non-Executive Independent Director
Working experience and occupation(s) during the past 10 years	<p>1 February 2019 - Present Chief Executive Officer and Executive Director of Memories Group Limited</p> <p>2012 - 31 January 2019 Executive Director and Head of Real Estate of Yoma Strategic Holdings Ltd.</p> <p>2007 - 2012 Director, Development and Project Coordinator of SPA (Dalian) Development Co., Ltd., China) (a subsidiary of Yoma Strategic Holdings Ltd.)</p>	<p>May 2021 - December 2021 CEO, Singapore Association of the Visually Handicapped</p> <p>December 2018 - November 2020 Chief Operating Officer, ASEAN Tat Hong Holdings Ltd</p> <p>October 2013 - October 2018 Group Chief Operating Officer, Bok Seng Group</p> <p>January 2010 - September 2013 Senior Vice President and Managing Director LF Asia-Singapore (Owned by Li & Fung Group) formerly known as IDS Group)</p> <p>November 2006 - December 2009 LF Asia-Thailand (Owned by Li & Fung Group) Managing Director (Thailand) and Senior Management Member of IDS Hong Kong Strategic Team</p>
Shareholding interest in the listed issuer and its subsidiaries	-	-

ADDITIONAL INFORMATION

on Directors seeking re-election

Name of Persons	Pun Chi Yam Cyrus ("Mr. Cyrus Pun")	Robin Lee Chye Beng ("Mr. Robin C. Lee")
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Son of Mr. Serge Pun, Executive Chairman of the Company	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships#		
Past (for the last 5 years)	Directorships:- <ul style="list-style-type: none"> • Meeyahta Development Limited • Peninsula Yangon Holdings Pte. Limited • Peninsula Yangon Limited • Thanlyin Estate Development (Singapore) Pte. Ltd. • Yoma Development Group Pte. Ltd. • Yoma Strategic Investments Ltd. • Genlab Holdings Pte. Ltd. • Pinnacle Trade Holdings Limited • Yoma Strategic Holdings Ltd. (Non-Executive Director) 	Principal Commitments:- <p>May 2021 – December 2021 CEO, Singapore Association of the Visually Handicapped</p> <p>December 2018 – November 2020 Chief Operating Officer, ASEAN Tat Hong Holdings Ltd</p> <p>October 2013 – October 2018 Group Chief Operating Officer, Bok Seng Group</p>
	Principal Commitment:- Head of Real Estate and Executive Director of Yoma Strategic Holdings Ltd. until January 2019	
Present	<ul style="list-style-type: none"> • Yoma Strategic Holdings Ltd. (Alternate Director to Mr.Serge Pun, the Executive Chairman) • BYMA Myanmar Limited • BYMA Pte. Ltd. • MC Elevator (Myanmar) Limited • Meeyahta International Hotel Limited • XunXiang (Dalian) Enterprise Co., Ltd • China Band Investments Limited • JJ-Pun (S) Pte. Ltd. • JJ-Pun Tiostone Company Limited • New Business Holdings Limited • Next Lead Holdings Limited • Pun Holdings Investments Limited • Pun Holdings Pte. Ltd. • Rich Terrain Investments Limited • Serge Pun & Associates (Myanmar) Limited • Vanson Development Limited • Asia Holidays Travels & Tours Company Limited 	

ADDITIONAL INFORMATION

on Directors seeking re-election

Name of Persons	Pun Chi Yam Cyrus ("Mr. Cyrus Pun")	Robin Lee Chye Beng ("Mr. Robin C. Lee")
	<ul style="list-style-type: none"> • Burma Boating Pte. Ltd. • Burma Boating Company Limited • Chindwin Investments Limited • Hpa An Traditional Lodge Limited • Keinara Loikaw Company Limited • Memories Myanmar International Travel Service (Dalian) Co., Ltd. • Memories Myanmar F&B Management Company Limited • Memories Myanmar Hotel Management Company Limited • MM (BL) Pte. Ltd. • MM (BOB) Pte. Ltd. • MM (DMC) Pte. Ltd. • MM (HAL) Pte. Ltd. • MM (PHL) Pte. Ltd. • MM Myanmar Pte. Ltd. • Mokan (S) Pte. Ltd. • Mokan Cruises Limited • Mokan International Company Limited • Pun Hlaing Lodge Hotel Management Limited • Riverside Bagan Limited • Shwe Lay Ta Gun Travels & Tours Company Limited • SM Asset Holdings Pte. Ltd. • SM Mawlamyaing Pte. Ltd. • Southern Myanmar Capital Limited • SM Mawlamyaing Hotel Limited • Traditional Lodge Hotel Company Limited • Mergui International Co., Ltd. • Mergui Memories International Co., Ltd. • Memories Myanmar Travel Limited • Rokon Group Limited • Myanmar Hong Kong Chamber of Commerce and Industry Incorporated • 大连恒泽项目管理有限公司 • 001 Offshore Shares Limited 	

Key information on these directors, including their dates of first appointment, dates of last re-election, academic/professional qualification, and present principal commitment, can be found in the "Board of Directors" section in this Annual Report. There are no changes to the disclosure required under items (a) to (k) to the Appendix 7F of the Catalyst Rule as provided in the Company's previous announcements of the respective Director.

MEMORIES GROUP LIMITED

Company Registration No. 201201631D)
(Incorporated in the Republic of Singapore)

PROXY FORM

ANNUAL GENERAL MEETING

IMPORTANT:

- The annual general meeting of the Company (the "AGM") is being convened, and will be held, by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- To minimise physical interactions and COVID-19 transmission risks, a member will not be able to attend the AGM in person. A member (whether individual or corporate and including a Relevant Intermediary*) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
- This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
- For investors who have used their CPF monies to buy Memories Group Limited's shares, the 2021 Annual Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

PERSONAL DATA PRIVACY

- By submitting an instrument appointing the Chairman of the AGM as his/her/its proxy, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 11 January 2022.

I/we, _____ (Name) _____ (NRIC/Passport No.)

of _____ (Address)

being a *member/members of MEMORIES GROUP LIMITED (the "Company"), hereby appoint the Chairman of the Meeting as *my/our proxy to vote on *my/our behalf at the annual general meeting of the Company (the "AGM") to be held by way of electronic means on 27 January 2022 at 10.00 a.m., and at any adjournment thereof in the following manner as specified below. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the Meeting as *my/our proxy will be treated as invalid.

NOTE: Voting on all resolutions will be conducted by poll. If you wish to exercise 100% of your votes **For** or **Against** a resolution, please tick with "✓" in the corresponding box against that resolution. If you wish to **Abstain** from voting on a resolution, please tick with "✓" in the corresponding box against that resolution. If you wish to split your votes, please indicate the number of votes **For** and/or **Against** and/or **Abstain** in the corresponding box against that resolution. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

No.	Resolutions	For	Against	Abstain
A	ORDINARY RESOLUTIONS			
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2021 and the Independent Auditor's Report			
2	Approval of Directors' fees for the financial year ending 30 September 2022, payable quarterly in arrears			
3	Re-election of Mr. Cyrus Pun as a Director of the Company			
4	Re-election of Mr. Robin Lee Chye Beng as a Director of the Company			
5	Re-appointment of Nexia TS Public Accounting Corporation as Independent Auditor of the Company and to authorise the Directors to fix their remuneration			
B	SPECIAL BUSINESS			
6	Authority to issue and allot shares pursuant to the share issue mandate			
7	Renewal of the Shareholders' Mandate for Interested Person Transactions			
8	Authority to issue and allot shares pursuant to the Memories PSP			

* Delete accordingly.

Dated this _____ day of _____ 2022

Total Number of Shares held in :	Number of Shares
CDP Register	
Register of Members	

Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM



NOTES:

1. Please insert the total number of shares held by you. If you have entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, (Cap 289), you should insert that number of shares. If you have shares registered in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all shares held by you.
2. To minimise physical interactions and COVID-19 transmission risks, a member of the Company will not be able to attend the AGM in person. A member of the Company (whether individual or corporate and including a Relevant Intermediary*) must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.

In appointing the Chairman of the Meeting as proxy, a member of the Company (whether individual or corporate and including a Relevant Intermediary*) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

* "Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act (Cap 50) of Singapore.

CPF or SRS investors who wish to vote should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by 10.00 am. on 17 January 2022) in order to allow sufficient time for their respective CPF Agent Banks or SRS Operators to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by the cut-off date.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. This form of proxy must be signed by the appointor or his attorney duly authorized in writing. Where the form of proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorized officer. The power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority shall be lodged with the form of proxy, failing which, the person so named shall not be entitled to vote in respect thereof.
5. This form of proxy must be submitted to the Company not less than forty-eight (48) hours before the time set for the AGM (i.e. by 10.00 a.m. on 25 January 2022) in the following manner:-
 - (a) if submitted by post, be lodged at the office of the Company at 63 Mohamed Sultan Road, #02-14 Sultan Link, Singapore 239002; or
 - (b) if submitted electronically, be submitted by email to the Company at the info@memoriesgroup.com.
6. **In view of the current Covid-19 situation, members are strongly encouraged to submit completed proxy forms electronically.**
7. The Company shall be entitled to reject the form of proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the form of proxy (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any form of proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time set for holding the AGM, as certified by the Central Depository (Pte) Limited to the Company.

Fold along dotted lines

Affix
Postage
Stamp

The Company Secretary
MEMORIES GROUP LIMITED
63 Mohamed Sultan Road
#02-14 Sultan-Link
Singapore 239002

Fold along dotted lines



Memories
GROUP



63 Mohamed Sultan Road
#02-14 Sultan-Link
Singapore 239002



Tel: (65) 6223 2262
Fax: (65) 6223 1990



www.memoriesgroup.com

