



RESPONSES TO QUESTIONS FROM SHAREHOLDERS IN RELATION TO THE PROPOSED VOLUNTARY DELISTING OF MEMORIES GROUP LIMITED TO BE TABLED AT THE EXTRAORDINARY GENERAL MEETING ON 18 NOVEMBER 2022

Memories Group Limited (the “**Company**”, or collectively with its subsidiaries, the “**Group**”) would like to thank all shareholders for submitting their questions in advance of its Extraordinary General Meeting (“**EGM**”) which will be convened and held at Metropolitan YMCA Singapore, The Vine Ballroom Level 2, 60 Stevens Road, Singapore 257854 on 18 November 2022 at 9.30 a.m. (Singapore time).

The Company has consolidated the substantial and relevant questions received, made editorial amendments to, or rephrased, some of the questions to ensure that the context of these questions is clearer.

Please refer to **Annex A** for the list of substantial and relevant questions and the Company’s responses to these questions.

It is important to note that these questions and responses should be read in conjunction with the Company’s Circular to Shareholders dated 3 November 2022 (“**Delisting Circular**”). All capitalised terms used but not defined in this announcement shall have the same meanings given to them in Delisting Circular, unless otherwise expressly stated or the context otherwise requires.

By Order of the Board

Cyrus Pun
Chief Executive Officer
14 November 2022

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

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ANNEX A: QUESTIONS FROM SHAREHOLDERS AND THE COMPANY'S RESPONSES

Questions from Shareholder(s)	Company's Response
1. With the lifting of COVID travel restrictions in many countries worldwide, there has been a surge in overseas travel, what is the reason for the controlling shareholder making an opportunistic offer to buy over the shares from the patient and loyal shareholders out at the cheap, denying them the opportunity to ride out the post-COVID tourism boom?	<p>The rationale for the proposed delisting is explained in Section 6 of the Delisting Circular. The Company wishes to highlight that while COVID-19 travel restrictions may have been largely relaxed globally, in Myanmar a State of Emergency remains in place and the political situation in Myanmar as at the date of this announcement remains fluid, all of which creates uncertainty and has a significant impact on the tourism industry in Myanmar.</p> <p>This has resulted in the Group incurring a net loss of US\$4.40 million for the twelve-month financial period ended 30 September 2022 and the Group remains in a net current liabilities position of US\$30.16 million as at 30 September 2022 and required commitment from its substantial shareholder, First Myanmar Investment Public Co., Ltd., to continue to provide financial support to enable the Group to meet its obligations as and when they fall due. Shareholders may refer to paragraph 2.1 of section E of the Company's announcement dated 13 November 2022 for further details on the material uncertainties on the Group and the Company's ability to continue as going concerns.</p> <p>The Company wishes to emphasize that the Exit Offer is not intended to deprive shareholders, who are confident of the longer-term prospects of the Company's business, of the opportunity to continue to participate in the business or to enjoy the potential appreciation of the Company's value. The Exit Offer contains an option to elect shares in the Offeror company precisely for this reason. Shareholders are, at the same time, reminded of the risks involved in electing the Shares Consideration which have been laid out in the Delisting Circular and Exit Offer Letter.</p>
2. The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 5 January 2018 after a successful reverse takeover of SHC Capital Asia Limited. The Company must have been aware that there is a value to the "listing shell" which was estimated to	<p>As at the date of this announcement, there has been no alternative or competing offers presented to the Company.</p> <p>The viability of a transaction such as another reverse takeover or asset sale materializing will be dependent on various</p>



<p>be close to SGD 10 million. Why is the Company seeking for delisting from SGX-ST and not leaving a residual shell company or doing an asset sale (to the controlling shareholder)?</p>	<p>factors including, <i>inter alia</i>, being able to identify a suitable target and the major Shareholders being willing to vote in favour of such a transaction.</p> <p>In addition, in comparison to the Delisting, such transactions will likely incur higher professional fees and require more time to complete. Further, in the event the Company undertakes an asset sale and subsequent to such asset sale its assets consists wholly or substantially of cash or short dated securities, the Company may be deemed a cash company and be subjected to Rule 1017 of the Catalist Rules including, <i>inter alia</i>, the Company being removed from the Catalist if it is unable to meet the requirements for a new listing within 12 months from the time it becomes a cash company.</p> <p>In the meantime, the Company will remain in a net current liabilities position. Such transactions are also subject to the fulfilment of certain conditions and have no certainty of completion. Shareholders may refer to paragraph 2.1 of section E of the Company's announcement dated 13 November 2022 for further details on the material uncertainties on the Group and the Company's ability to continue as going concerns.</p> <p>Based on the number of delistings from the official list of the SGX-ST observed by the Company over the past 12 months, the Company is of the view that this trend is indicative of the scarcity of opportunities to monetize the value, if any, of a 'listing shell'. In view of the foregoing reasons, such transactions (like a reverse takeover) will not be a viable option for the Company.</p> <p>The Exit Offer represents an opportunity allowing Shareholders to exit their entire investments in the Company if they elect for the Cash Consideration and Shareholders with a longer-term view of the business prospects of the Group under the control of the Offeror can elect for the Share Consideration instead of the Cash Consideration.</p> <p>Shareholders may further wish to note that the IFA is of the view that the Exit Offer is fair and reasonable. The IFA's letter has been included as Appendix A in the</p>
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	Delisting Circular, Shareholders are advised to read Appendix A in its entirety for details on the basis of the IFA's views and its recommendation to the Independent Directors.
<p>3. What are the border restrictions in place for international travellers in Myanmar and the current travel and tourism situation in Myanmar. Is it onerous for foreigners to travel and visit Myanmar?</p> <p>Based on latest data, what is the profile of the Company's customers - percentage of international versus local tourists staying in the Company's resorts/hotels?</p>	<p>Foreign travelers can now arrive at Myanmar's airports subject to relevant visa requirement, while land borders remain partially closed to foreigners.</p> <p>However, there are several factors that were previously absent that deters foreigners from travelling across the country. Several countries have issued travel warnings on travelling to Myanmar. Further, foreigners are required to report to the authorities when travelling to certain regions of the country and security concerns remain in some regions. Collectively, these factors have contributed to significantly lower international tourist arrivals when compared to 2019.</p> <p>In view of the foregoing, the Company's customer profile is currently dominated by the local market and foreigners residing in Myanmar.</p>