

## **ADDENDUM DATED 8 JULY 2019**

### **THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.** This Addendum is circulated to shareholders of Memories Group Limited (the “**Company**”) together with the Company’s Annual Report 2019 (as hereinafter defined). Its purpose is to explain to shareholders of the Company the rationale and provide information for the renewal of the Shareholders’ Mandate (as herein defined) to be tabled at the Annual General Meeting of the Company to be held at The Connection 4 Room, The Amara Hotel, 165 Tanjong Pagar Road Singapore 088539 on 23 July 2019, Tuesday at 2.00 p.m.

The Notice of AGM (as hereinafter defined) and the Proxy Form are enclosed with the Annual Report 2019.

If you have sold or transferred all your ordinary shares in the capital of the Company (the “**Shares**”) held through The Central Depository (Pte) Limited (the “**CDP**”), you need not forward this Addendum to the purchaser or transferee as arrangements will be made by CDP for a separate Addendum to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical share certificate(s), you should immediately forward this Addendum and the Proxy Form to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

The Ordinary Resolution 9 proposed to be passed in respect of the above matter is set in the Notice of AGM enclosed in the Annual Report 2019.

This Addendum has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.

This Addendum has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Addendum, including the correctness of any of the statements or opinion made or reports contained in this Addendum.

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).



*Memories*  
GROUP

## **MEMORIES GROUP LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201201631D)

### **ADDENDUM TO SHAREHOLDERS**

**in relation to**

### **THE PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS**

## DEFINITIONS

For the purpose of this Addendum, the following definitions apply throughout unless the context requires otherwise or unless otherwise stated:

<b>“2019 AGM”</b>	:	Annual General Meeting of the Company to be held on 23 July 2019
<b>“ACRA”</b>	:	Accounting and Corporate Regulatory Authority of Singapore
<b>“AGM”</b>	:	An annual general meeting of the Company
<b>“Annual Report 2019”</b>	:	The Company’s annual report for the financial year ended 31 March 2019
<b>“approved exchange”</b>	:	Has the definition referred to in the annexure of this Addendum
<b>“associate”</b>	:	Has the definition referred to in the annexure of this Addendum
<b>“associated company”</b>	:	Has the definition referred to in the annexure of this Addendum
<b>“Audit Committee”</b>	:	The audit and risk management committee of the Company, which as at the date of this Addendum comprises Messrs Basil Chan and Robin Lee Chye Beng (both of whom are Non-Executive Independent Directors) and Mr Tun Tun (who is a Non-Executive Non-Independent Director)
<b>“Board” or “Board of Directors”</b>	:	The Board of Directors of the Company as at the date of this Addendum
<b>“Catalist Rules”</b>	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Addendum”</b>	:	This addendum to Shareholders dated 8 July 2019
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
<b>“Company”</b>	:	Memories Group Limited, a company incorporated in the Republic of Singapore
<b>“Constitution”</b>	:	The constitution of the Company, as amended, supplemented or modified from time to time
<b>“control”</b>	:	Has the definition referred to in the annexure of this Addendum
<b>“controlling shareholder”</b>	:	Has the definition referred to in the annexure of this Addendum
<b>“Director(s)”</b>	:	The Directors of the Company for the time being, and “Director” shall mean any one of them
<b>“Independent Directors”</b>	:	The Directors who are considered independent for the purposes of the Proposed Renewal of the Shareholders’ Mandate, namely, Mr Basil Chan, Mr Robin Lee Chye Beng and Mr Vincent Chan Chun Hung

<b>“entity at risk”</b>	:	Has the definition referred to in the annexure of this Addendum
<b>“EGM”</b>	:	An extraordinary general meeting of the Company
<b>“FMI”</b>	:	First Myanmar Investment Public Company Limited, a company incorporated in Myanmar
<b>“FY”</b>	:	Financial year ended or ending 31 March unless otherwise specified
<b>“Group”</b>	:	The Company and its subsidiaries, collectively
<b>“Hotels Segment”</b>	:	Such part of the Group’s business which are engaged in the hospitality business
<b>“Interested Persons”</b>	:	The persons referred to in Section 2.5 of this Addendum
<b>“Interested Person Transactions”</b>	:	The transactions referred to in Section 2.6 of this Addendum
<b>“Latest Practicable Date”</b>	:	26 June 2019, being the latest practicable date prior to the printing of this Addendum
<b>“Myanmar”</b>	:	Republic of the Union of Myanmar
<b>“NTA”</b>	:	Net tangible assets
<b>“Proposed Renewal of the Shareholders’ Mandate”</b>	:	Proposed renewal of the Shareholder’s Mandate to be tabled to Shareholders for approval at the 2019 AGM
<b>“Securities Account”</b>	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Registered holders of the Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, where the context admits, mean the depositors in the depository register maintained by CDP and whose Securities Accounts are credited with the Shares. Any reference to Shares held by or shareholdings of Shareholders shall include shares standing to the credit of their respective Securities Account
<b>“Shareholders’ Mandate”</b>	:	The general mandate for the Group to enter into certain types of transactions with specified classes of the Company’s Interested Persons pursuant to Chapter 9 of the Catalist Rules, as further described in this Addendum
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“SPA Myanmar”</b>	:	Serge Pun & Associates (Myanmar) Limited, a company incorporated in Myanmar
<b>“SPA Group”</b>	:	SPA Myanmar, its subsidiaries and its associates, collectively (including Yangon Land Company Limited, a wholly-owned subsidiary of SPA Myanmar whose shares are held on trust for SPA Myanmar)
<b>“Standard Price”</b>	:	Has the definition referred to in Section 2.7 of this Addendum

“ <b>subsidiary</b> ”	:	Has the meaning ascribed to it in Section 5 of the Companies Act
“ <b>Substantial Shareholder</b> ”	:	A person who has an interest (directly or indirectly) in 5% or more of the voting shares in the Company
“ <b>YSH</b> ”	:	Yoma Strategic Holdings Ltd., a company incorporated in the Republic of Singapore
“ <b>YSH Group</b> ”	:	YSH and its subsidiaries, collectively
“ <b>YSIL</b> ”	:	Yoma Strategic Investments Ltd., a company incorporated in the Republic of Singapore

#### **Currencies, Units and Others**

“ <b>S\$</b> ” and “ <b>cents</b> ”	:	Singapore dollars and cents, respectively
“ <b>US\$</b> ”	:	United States dollars
“ <b>%</b> ” or “ <b>per cent.</b> ”	:	Percentage or per centum

The terms “**depositor**”, “**depository agent**” and “**depository register**” shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore or any statutory modification thereof, as the case may be.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Addendum to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Securities and Futures Act, Chapter 289 of Singapore, the Companies Act, Catalist Rules or any statutory modification thereof and not otherwise defined in this Addendum, where applicable, shall have the same meaning ascribed to it under the Securities and Futures Act, Chapter 289 of Singapore, the Companies Act, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any discrepancies in the figures included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Addendum shall be a reference to Singapore time unless otherwise stated and shall include such other date(s) or time(s) as may be announced from time to time or on behalf of the Company.

# MEMORIES GROUP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 201201631D)

## LETTER TO SHAREHOLDERS

### 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 Chan Chun Hung Vincent (Non-Executive Non-Independent Director)

### Registered Office:-

78 Shenton Way  
#32-00  
Singapore 079120

8 July 2019

To: **The Shareholders of Memories Group Limited**

Dear Sir/Madam,

### THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

#### 1. INTRODUCTION

- 1.1 The Directors refer to the notice of the AGM dated 8 July 2019 (the "**Notice of AGM**") of the Company convening the 2019 AGM to be held on 23 July 2019.
- 1.2 The proposed Ordinary Resolution 9 in the Notice of AGM relates to the proposed renewal of a shareholders' mandate for Interested Person Transactions, which the Shareholders had previously approved at the EGM of the Company held on 18 December 2017 and renewed on 25 July 2018 (the "**2018 AGM**"), which will enable the Group to enter into certain types of recurrent transactions of a revenue or trading nature necessary for day-to-day operation with the Interested Persons in compliance with Chapter 9 of the Catalist Rules (the "**Shareholders' Mandate**"). The authority conferred by the Shareholders' Mandate will expire on 23 July 2019, being the date of the 2019 AGM. Accordingly, the Directors propose that the Shareholders' Mandate be renewed at the 2019 AGM.
- 1.3 The purpose of this Addendum is to provide Shareholders with the relevant information relating to, and to explain the rationale for, the Proposed Renewal of the Shareholders' Mandate to be tabled at the 2019 AGM.

#### 2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

##### 2.1 Background

At the 2018 AGM, a shareholders' mandate was renewed for the Group to enter into transactions falling within the categories of Interested Person Transactions described in the Company's addendum dated 10 July 2018, with any party who is of the class or classes of Interested Persons described in the said addendum, provided that such transactions are made on normal commercial terms in accordance with the guidelines and procedures for review and administration of the Interested Person Transactions, and will not be prejudicial to the interest of the Company and its minority Shareholders, as described in the said addendum.

##### 2.2 Chapter 9 of the Catalist Rules

Chapter 9 governs transactions between a listed company or any of its unlisted subsidiaries or unlisted associated companies and interested persons. An "interested person" is defined as a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

Chapter 9 allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations which may be carried out with the listed company's Interested Persons, but not the purchase or sale of assets, undertakings or businesses, provided such transactions are entered into at arm's length basis and on normal commercial terms that are not prejudicial to the interests of the listed company and its minority shareholders.

General information relating to Chapter 9, including the meanings of terms such as "interested person", "associate", "associated company" and "controlling shareholder", are set out in the annexure of this Addendum.

### **2.3 Rationale and Benefits for the Proposed Renewal of the Shareholders' Mandate**

The Interested Person Transactions are entered into or are to be entered into by the Group in its ordinary course of business. The Interested Person Transactions are recurring transactions which are likely to occur with some degree of frequency and may arise at any time and from time to time. The Directors are of the view that it will be beneficial to the Group to transact with the Interested Persons. It is intended that the Interested Person Transactions shall continue in the future as long as the Interested Persons remains in the Group and so long as the transactions are at arm's length basis and on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

The Directors believe that the Proposed Renewal of the Shareholders' Mandate is in the interests of the Group for the following reasons.

- (a) Mr Serge Pun, YSIL, FMI, SPA Myanmar and certain of their respective associates own interests in and/or operate businesses in various sectors, including namely: (i) investing in, developing and constructing properties, including hotels or resorts; (ii) providing any technical, management and other project consultancy or other services in respect of developments and construction of properties, including hotels and resorts; and (iii) operating and managing serviced apartments and residences. Part of the businesses owned and/or operated by these Interested Persons are complementary to the businesses of the Group and as such, business relations with such Interested Persons provide many opportunities for the Group to leverage their wide spectrum of businesses, many of which are able to add value to the businesses, and on the products and services provided to or supplied by these Interested Persons.
- (b) The Shareholders' Mandate will allow the Group to take advantage of such opportunities efficiently without incurring additional administrative costs in relation thereto. The Group will also benefit from having access to competitive quotes from the Interested Persons under the ambit of the Shareholders' Mandate in addition to obtaining quotes from, or transacting with, non-Interested Persons.
- (c) The renewal of the Shareholders' Mandate on an annual basis would eliminate the need for the Company to announce and/or convene separate general meetings on each occasion in order to seek Shareholders' approval for each Interested Person Transaction to be entered into between the Group and the Interested Persons. This will substantially reduce the expenses associated with the convening of such general meetings (including the engagement of external advisers and preparation of documents) from time to time, improve administrative efficiency and allow resources and time of the Group to be focused towards other business objectives.
- (d) The Shareholders' Mandate is intended to facilitate the interested person transactions in the ordinary course of business of the Group which the Directors envisage are likely to be transacted with some frequency from time to time with the Interested Persons, provided that they are carried out at arm's length and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

## 2.4 Scope of the Shareholders' Mandate

The Shareholders' Mandate will cover a range of transactions arising in the ordinary course of business operations of the Group as set out in Section 2.6 below.

The Shareholders Mandate will not cover any Interested Person Transaction which has a value below S\$100,000 as the threshold and aggregate requirements of Chapter 9 of the Catalist Rules do not apply to such transactions (unless amended or modified otherwise).

Transactions with Interested Persons which do not come within the ambit of the Proposed Renewal of the Shareholders' Mandate will be subject to the applicable provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

## 2.5 Classes of Interested Persons

The Shareholders' Mandate, if renewed, will apply to the Interested Person Transactions (as described in Section 2.6 below) to be carried out between any entity at risk within the Group and the following classes of Interested Persons:-

- (a) Mr Serge Pun @ Theim Wai ("**Mr Serge Pun**") and his associates;
- (b) YSIL and its associates (comprising YSH, and its subsidiaries and such other companies in which YSH, YSIL and their subsidiaries hold directly or indirectly interests of 30.0% or more);
- (c) FMI and its associates; and
- (d) SPA Myanmar and its associates.

Mr Serge Pun is a Director and controlling shareholder of the Company by virtue of his deemed interest in the Shares held by YSIL and FMI. Accordingly, Mr Serge Pun is an Interested Person.

YSH is a controlling shareholder of the Company holding, as at the Latest Practicable Date, an indirect 33.27% shareholding interest in the Company through its wholly-owned subsidiary, YSIL. The subsidiaries of YSH and YSIL and entities in which YSH, YSIL and their subsidiaries hold direct or indirect interest of 30.0% or more are considered associates of YSH and YSIL and are accordingly, Interested Persons.

FMI is a substantial shareholder of the Company holding, as at the Latest Practicable Date, a direct 8.35% shareholding interest in the Company. As at the Latest Practicable Date, Mr Serge Pun and his associates hold approximately 62.75% interest in FMI, with the remaining shareholding interests held by more than 8,000 public shareholders. FMI and such of its associates in which Mr Serge Pun and his associates hold direct or indirect interest of 30.0% or more are considered associates of Mr Serge Pun and are accordingly, Interested Persons.

As at the Latest Practicable Date, Mr Serge Pun holds direct and indirect interest of more than 90% in SPA Myanmar. SPA Myanmar and such of its associates in which Mr Serge Pun and his associates hold direct or indirect interests of 30.0% or more are considered associates of Serge Pun and are accordingly, Interested Persons.

## 2.6 Scope and Categories of Interested Person Transactions

The following Interested Person Transactions (the "**Mandated IPTs**") with the relevant Interested Persons (as described in Section 2.5 above) which will be covered by the renewed Shareholders' Mandate are those recurrent transactions arising in the ordinary course of business of revenue or trading nature or necessary for day-to-day operations:-

- (a) Obtaining of design, construction, renovation, project management relating to construction and development and other related services (the "**Construction Services IPTs**")

The Group may requisition design, construction, renovation, building maintenance, project management and other related services in relation to its hotels, offices and other facilities from the Interested Persons, including but not limited to SPA Design & Project Services

Limited (“**SPA D&P**”), a deemed subsidiary within the YSH Group. SPA D&P and other associates of the YSH Group can provide a one-stop solution to some of the Group’s design and construction needs due to their track record in providing such design, construction and project management services.

The design, construction, renovation, building maintenance, project management relating to construction and development and other related services which may be provided by the Interested Persons include:

- (i) piling services, including pile production and foundation piling works;
- (ii) construction services including supply of raw materials for construction, finishing work, interior decoration, doors, windows, trusses and equipment for construction;
- (iii) design and architectural services, including landscaping, design, architecture, structure and building services; and
- (iv) project management services, construction management and land survey services in respect of residential, commercial and industrial properties.

(b) Leasing and sub-leasing of properties and land and related agency services (the “**Leasing IPTs**”)

For operational synergies and economic efficiencies, various entities at risk within the Group may from time to time share, lease and/or sub-lease premises (including office and operational areas) with/from the Interested Persons, and vice versa.

In connection with such sharing, leasing or sub-leasing of premises, the Group may also obtain related services from, or provided related services to, the Interested Persons.

(c) General transactions (the “**General IPTs**”)

- (i) Obtaining and/or provision of hotel, serviced residence and accommodation services

The Interested Persons operate and manage certain accommodation services, including serviced residences in Pun Hlaing Estate and StarCity, Thanlyin in Yangon. The Group may engage such hotel, serviced residence and accommodation services from the Interested Persons from time to time for the lodging of its employees, clients and advisers.

In addition, the Group may also provide accommodation services under its Hotels Segment to its Interested Persons from time to time.

- (ii) General sales and supply transactions for the supply, purchase and/or distribution of raw materials, finished goods and services

The Group may from time to time purchase such services and supplies from the Interested Persons. This includes destination management company (“**DMC**”) related services purchased from Interested Persons, including without limitation, and Yoma Fleet Limited (a deemed subsidiary within the YSH Group). The Group may also purchase from time to time raw materials, finished goods and other services, or which some of the supplies may come from Interested Persons.

In addition, it is also contemplated that the Interested Persons may from time to time purchase such services and supplies from the Group.

(d) Obtaining and/or provision of management and support services (the “**Support Services IPTs**”)

The Group may, from time to time, receive management and support services from, or provide management and support services to, its Interested Persons in the areas of finance, branding, marketing, corporate secretarial, strategic development, management information



systems, human resources management and development, information technology support (including computer repair, maintenance and the maintenance of any network systems) and property security. By having access to and providing such support, the Group will derive operational and financial leverage in its dealings with third parties as well as benefits from the network of its Interested Persons.

(e) Financing and treasury transactions (the “**Finance IPTs**”)

The Group may receive financing services and support such as (i) the placement of funds with Interested Persons, in particular Yoma Bank Limited (“**Yoma Bank**”), a subsidiary of FMI, which is a privately owned commercial bank with one of the largest networks in Myanmar; (ii) the receipt of financial services, namely cash management for payroll services and domestic and international remittances from Interested Persons; as well as (iii) receiving bank guarantees and services in relation to provision of letters of credit from Interested Persons to help the Group. In connection with such financing transactions, the payment of ordinary transaction charges, commission for the provision of bank guarantees or letters of credit may be made to Interested Persons from time to time. In addition, interest payments may be made by the Interested Persons to the Group from time to time.

Specifically, the Group may deposit cash or open bank accounts with Yoma Bank, appoint Yoma Bank to provide cash management for payroll services and deal with Yoma Bank for domestic and international remittances, provided that the amount of cash and cash equivalents deposited with Yoma Bank shall not exceed 20% of the Group’s total cash and cash equivalents (the “**Yoma Bank Limit**”).

## 2.7 Guidelines and Review Procedures for the Interested Person Transactions

To ensure that the Mandated IPTs are undertaken at arm’s length and on normal commercial terms and are consistent with the Group’s usual business practices and policies, which are generally no more favourable than those extended to unrelated third parties, and will not be prejudicial to the interests of the Company and its minority Shareholders, the Group has established the following procedures for the review and approval of Mandated IPTs to ensure that Interested Persons Transactions are undertaken on an arm’s length basis and on the Group’s normal commercial terms:-

Any reference to the “Chief Financial Officer” in the following review procedures shall mean the Chief Financial Officer (“**CFO**”) or such other officer of at least equivalent rank or designation of the Company for the time being which may include the Chief Executive Officer (“**CEO**”) and other Executive Directors of the Company (except that such parties shall abstain if they or their associates have any interests in such transactions).

(a) Construction Services IPTs, General IPTs and Support Services IPTs

(i) Obtaining of Construction Services IPTs, General IPTs and Support Services IPTs

- (A) In order to ensure that the interests of the Group or the minority Shareholders are not disadvantaged, comparison will be made with at least two quotations from unrelated/independent third party(ies) as a basis for comparison, from independently verifiable and reliable sources as approved by the Audit Committee from time to time (the “**Approved Independent Sources**”), with advice from relevant employees of the Company with management responsibilities comprising personnel from the finance department and other relevant departments. Additionally, the Group will, to the extent practicable, take steps to ensure that the terms extended by Interested Persons to the entity at risk are no less favourable than the terms offered by Interested Persons to third parties.

The list of Approved Independent Sources will be maintained by the relevant departments and reviewed by the Audit Committee periodically. The rate/prices of the services or product providers, after taking into account factors mentioned in paragraph (A) above, shall not be less favorable than the two other quotations (whatever possible or available) from the Approved Independent

Sources. In determining the most competitive rates/price, all pertinent factors, including but not limited to the purchase price, order quantity, product quality, standard of services, reliability, industry norms (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases, where the giving of such preferential rates/prices/discounts are commonly practiced within the applicable industry), experience and expertise, customer requirements, product specifications, delivery schedule, delivery cost, track record, the speed of and cost for timely response and mobilisation, credit terms, specifications, scope, size, complexity and resources required for implementation of the projects for which the Interested Persons are providing products or services, preferential or relatively advantageous access to assets and buyers, asset type, restrictions and array of services including its specialists nature, local knowledge, track record and standing in the relevant markets, risk for such transactions and the attendant cost in managing such risks will be taken into consideration.

(B) In the event where it is impractical or impossible to obtain comparable prices of similar transactions or products or services reasonably contemporaneous in time due to the nature of the products to be purchased or services to be obtained, the Chief Operating Officer or an equivalent senior executive or a director of the relevant company of the Group (who has no interest, direct or indirect, in the transaction), will subject to the procedures and approval thresholds in Section 2.7(d) below, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided to the Interested Persons are fair and reasonable; and (2) evaluate and weigh benefits of and rationale for transacting with the Interested Person to ensure that the terms of the transactions are in accordance with applicable industry norms and/or are not prejudicial to the Company, taking into account qualitative and quantitative factors such as, but not limited to factors such as the purchase price, order quantity, product quality, standard of services, reliability, industry norms (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases, where the giving of such preferential rates/prices/discounts are commonly practiced within the applicable industry), experience and expertise, customer requirements, product specifications delivery schedule, delivery cost, track record, the speed of and cost for timely response and mobilisation, credit terms, specifications, scope, size, complexity and resources required for implementation of the projects for which the Interested Persons are providing products or services, preferential or relatively advantageous access to assets and buyers, asset type, restrictions and array of services including its specialists nature, local knowledge, track record and standing in the relevant markets, risk for such transactions and the attendant cost in managing such risks will be taken into consideration.

(ii) Provision of General IPTs and Support Services IPTs

(A) When selling any products or supplying any services to an Interested Person, the price or fee or profit margins and terms of two other successful transactions of a similar nature (or comparable nature) with non-Interested Persons will be used as comparison to ensure that the interests of the Group or the minority Shareholders are not disadvantaged. The price or fee or margin for the supply or products or services shall not be lower than the lowest price or fee of the two other successful transactions with non-Mandated Interested Persons, taking into account all pertinent factors, including but not limited the order quantity, industry norms (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases, where the giving of such preferential rates/prices/discounts are commonly practised within the applicable industry), delivery costs, schedules, specification compliance, track record and experience will also be taken into consideration.

(B) In the event where it is impractical or impossible to obtain comparable prices of similar transactions or products or services reasonably contemporaneous in time due to the nature of the products to be sold or services to be provided, the Chief Operating Officer or an equivalent senior executive or a director of the relevant company of the Group (who has no interest, direct or indirect, in the transaction), will subject to the procedures and approval thresholds in Section 2.7(d) below, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided to the Interested Persons are fair and reasonable; and (2) evaluate and weigh benefits of and rationale for transacting with the Interested Person to ensure that the terms of the transaction are in accordance with applicable industry norms and/or are not prejudicial to the Company, taking into account all pertinent factors, including but not limited to the order quantity, industry norms (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases, where the giving of such preferential rates/prices/discounts are commonly practised within the applicable industry), delivery costs, schedules, specification compliance, track record and experience will also be taken into consideration.

(iii) Sales and provision of products or services to Interested Persons

(A) Selling prices will be determined with reference to a standard price list in relation to the sales of such products or the provision of such services to unrelated third parties (the “**Standard Price**”), such list to be approved by the Chief Operating Officer or an equivalent senior executive. Should there be any variation between the selling price and the Standard Price, the extent to which the selling price deviates from the Standard Price and the reasons for such variation will be analysed and shall be subject to the approval of the Chief Operating Officer or an equivalent senior executive or a director of the relevant company of the Group (who has no interest, direct or indirect, in the transaction) and the procedures and approval thresholds in Section 2.7(d) below.

The CFO or such other independent executive officer of the Company as appointed by the Audit Committee shall review the said Standard Price list together with the volume and quantum of the Mandated IPTs as well as the selling prices for similar products and services provided to the non-Interested Person on a regular basis (at least on a quarterly basis or such other period as may be approved by the Audit Committee) and in the event there are material variations or update, the CFO or such other independent executive officer of the Company as appointed by the Audit Committee shall escalate and, where applicable, propose any change deemed necessary to the Audit Committee. The Audit Committee will consider the revision of the said Standard Price list and/or the review as and when necessary and appropriate.

The Audit Committee shall review and approve the Standard Price list together with the volume and quantum of the Mandated IPTs as well as the selling prices for similar products and services provided to the non-Interested Person on a regular basis (at least on a quarterly basis or such other period as may be approved by the Audit Committee).

(B) In the event where the Standard Price is not available due to the unique nature of the product to be sold or service to be provided, the Chief Operating Officer or an equivalent senior executive or a director of the relevant company of the Group (who has no interest, direct or indirect, in the transaction), will subject to the procedures and approval thresholds in Section 2.7(d) below, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided to the Interested Persons are fair and reasonable; and (2) evaluate and weigh benefits of and rationale for transacting

with the Interested Persons to ensure that the terms of the transaction are in accordance with applicable industry norms, including, where applicable, preferential to the Company, taking into account all pertinent factors, including but not limited to the order quantity, industry norms (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases, where the giving of such preferential rates/prices/discounts are commonly practiced within the applicable industry), delivery costs, schedules, specification compliance, track record and experience will also be taken into consideration.

(iv) Purchases of products or services from Interested Persons

- (A) In determining whether the price and terms offered by the Interested Person are fair and reasonable and comparable to those offered by unrelated third parties to the Group for the same or substantially similar type of product or service, the management of the relevant company in the Group will obtain at least two (2) other quotations from unrelated third party vendors or suppliers for a similar or substantially similar type of product or service as bases for comparison for the purposes of determining whether the price and terms offered by the Interested Person are fair and reasonable and comparable to those offered by unrelated third parties to the Group. In determining the most competitive rates/prices, all pertinent factors, including but not limited to the purchase price, order quantity, product quality, standard of services, reliability, industry norms (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases, where the giving of such preferential rates/prices/discounts are commonly practised within the applicable industry), experience and expertise, customer requirements, product specifications, delivery schedule, delivery cost, track record, the speed of and cost for timely response and mobilisation, credit terms, specifications, scope, size, complexity and resources required for implementation of the projects for which the Interested Persons are providing products or services, preferential or relatively advantageous access to assets and buyers, asset type, restrictions and array of services including its specialists nature, local knowledge, track record and standing in the relevant markets, risk for such transactions and the attendant cost in managing such risks will be taken into consideration. Additionally, the Group will, to the extent practicable, take steps to ensure that the terms extended by the Interested Persons to the entity at risk are no less favourable than the terms offered by Interested Persons to third parties.
- (B) In the event where it is impractical or not possible for such quotations to be obtained (for example, where there are no unrelated third party vendors or suppliers of a similar type of product or service, or the product or service is proprietary), such transaction may only be entered into with approval from any one of the Directors of the Audit Committee with no interest, direct or indirect in the Mandated IPTs. Such Directors of the Audit Committee will, subject to the procedures and approval thresholds in Section 2.7(d) below, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided to the Interested Persons are fair and reasonable; and (2) evaluate and weigh benefits of and rationale for transacting with the Interested Person to ensure that the terms of the transaction are in accordance with applicable industry norms and/or are not prejudicial to the Company, taking into account all pertinent factors, including but not limited to the order quantity, industry norms (including, where applicable, preferential prices/rates/discounts accorded to a class of customers or for bulk purchases, where the giving of such preferential rates/prices/discounts are commonly practised within the applicable industry), delivery costs, schedules, specification compliance, track record and experience will also be taken into consideration.

- (b) Leasing IPTs
  - (i) Rental of premises to or from Interested Persons
    - (A) The Group will only enter into the leasing of premises to and from Interested Persons if the rent payable is in line with, or more favourable to the Group than, prevailing market rental rates for comparable spaces. In relation to the rental of premises from the Interested Persons, the Group will obtain at least two (2) other quotations from unrelated third party landlords for a comparable space in similar locations or within the vicinity. Additionally, the Group will, to the extent practicable, take steps to ensure that the terms extended by Interested Persons to the entity at risk are no less favourable than the terms offered by the Interested Persons to third parties.
    - (B) Where it is impractical or not possible to obtain prevailing market rental rates for comparable spaces, a director of the relevant company of the Group (who has no interest, direct or indirect, in the transaction) will:
      - (1) in relation of the rental of premises from the Interested Persons, ensure that the price and terms offered to the Group are fair and reasonable and that transaction would be conducted on normal commercial terms and arm's length basis, taking into account qualitative and quantitative factors such as, but not limited to location and facilities available; and
      - (2) in relation of the rental of premises to the Interested Persons, determine the rent payable in accordance with industry norms and consistent with the usual business practices and pricing policies of the relevant company of the Group.
- (c) Finance IPTs
  - (i) The following procedures will be undertaken to supplement the internal systems of the Group to ensure that the finance and treasury transactions are undertaken with Interested Persons on an arm's length basis and on normal commercial terms.
    - (A) In relation to the placement of funds with the Interested Person, subject to the Yoma Bank Limit, the Group will enter into such arrangements if the interest payable is in line with, or more favourable to the Group than, prevailing market interest rates and transaction fees arising from such arrangements.
    - (B) The Company will require that prior to making any commitment to a transaction to engage any cash management for payroll or remittance services, quotations shall be obtained from such Interested Person and at least two (2) independent third party banks (as approved by the Audit Committee) for rates of deposits/charges/commissions with such banks of an equivalent amount, and for the equivalent period, of the funds to be placed by the Group, the cash management for payroll services, the remittance services to be provided to the Group. The Group will only place its funds or engage such services with such Interested Person, provided that the terms quoted are no less favourable than the terms quoted by such banks.
    - (C) The CFO and/or the financial controller of the Company (the "**Financial Controller**") shall monitor (at least on a half-yearly basis) and obtain new quotations from two (2) independent third party banks for rates of deposits/charges/commissions with such banks of an equivalent amount, and for the equivalent period, of the funds to be placed by the Group, the cash management for payroll services, the remittance services to ensure that the terms of the Interested Person remain no less favourable than the terms quoted by such banks.

- (D) In the event where it is impractical or not possible for such quotations to be obtained (for example, where there are no independent third party banks providing rates of deposits/charges/commissions with such banks of an equivalent amount), such transaction may only be entered into with approval from any one of the Directors of the Audit Committee with no interest, direct or indirect in the Mandated IPTs. Such Directors of the Audit Committee will, subject to the procedures and approval thresholds in Section 2.7(d) below, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from reasonably experienced market practitioners in order to determine that the terms provided to the Interested Persons are fair and reasonable; and (2) evaluate and weigh benefits of and rationale for transacting with the Interested Person to ensure that the terms of the transactions are in accordance with applicable industry norms and/or are not prejudicial to the Company, taking into account all pertinent factors, including the consistency with the usual business practices, pricing, track record and experience, and the scope, size and complexity of the needs of the Group.
- (E) The CFO and/or the Financial Controller of the Company will maintain a separate register for transactions carried out with Interested Persons. This register shall be submitted to the Audit Committee for review on a quarterly basis to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules) are complied with, in particular, to consider the economic and commercial substance of the transactions and be satisfied that the transactions are on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

(d) Approvals and Review Thresholds

In addition to the above guidelines and review procedures, the following approval procedures in respect of Construction Services IPTs, General IPTs, Support Services IPTs, Leasing IPTs and Finance IPTs will be implemented to supplement the internal systems of the Group to ensure that the Mandated IPTs carried out under the Shareholders' Mandate are undertaken on an arm's length basis and on normal commercial terms. For avoidance of doubt, construction of Pun Hlaing Lodge had been completed. Accordingly, there will not be construction services IPTs entered into in connection with the construction of Pun Hlaing Lodge.

<b>Individual or aggregate value of the IPTs</b>	<b>Required approval prior to making any commitment to the transaction</b>
Greater than or equal to S\$100,000 but less than or equal to three per cent. (3.0%) of the Group's latest audited consolidated NTA	(1) Director of the relevant company in the Group; and (2) Company's Chief Executive Officer or Director (who shall not be an Interested Person in respect of the particular transaction).
Greater than three per cent. (3.0%) but less than or equal to five per cent. (5.0%) of the Group's latest audited consolidated NTA	(1) Company's Chief Executive Officer or Director (who shall not be an Interested Person in respect of the particular transaction); and (2) A majority of the members of the Audit Committee (excluding any person who shall be an Interested Person in respect of the particular transaction).
Greater than five per cent.(5.0%) of the Group's latest audited consolidated NTA	(1) A majority of the members of the Audit Committee (excluding any person who shall be an Interested Person in respect of the particular transaction).

(e) Additional Controls

In addition to the review and approval procedures set out above, the following will also be implemented:

- (i) The CFO and/or the Financial Controller will maintain a register of Mandated IPTs carried out with Interested Persons pursuant to the Shareholders' Mandate, including those of value below S\$100,000 (the "IPT Register"). The IPT Register will record the basis for entering into the Mandated IPTs including but not limited to, including the quotations and supporting evidence or records or details obtained to support such basis, on which they were entered into as well as the approving authority. The IPT Register shall be prepared, maintained, monitored and reviewed on a monthly basis, by both the CFO and the Financial Controller who are not Interested Persons. This is to ensure that they are carried out on normal commercial terms and in accordance with the guidelines and review procedures in the Shareholders' Mandate. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit Committee. In addition, any exceptions or departures from the procedures shall be reported and highlighted to the Audit Committee immediately.
- (ii) The CFO and/or the Financial Controller will obtain signed letters of confirmation from key management personnel, Controlling Shareholders and the Directors on a periodic basis (of not more than half yearly) with respect to their interest in any transactions with the Group.
- (iii) The CFO and/or the Financial Controller will maintain a list of the Directors and Controlling Shareholders and their associates of the Company (which is to be updated immediately if there are any changes) to enable identification of Interested Persons. The master list of Interested Persons which is maintained shall be reviewed by the Audit Committee on at least on half yearly basis.
- (iv) The Group's annual or periodic (such periods to be decided by the Audit Committee) internal audit plan shall incorporate a review of all Interested Person Transactions (where applicable), including the established review procedures for monitoring of such Interested Person Transactions, entered into during the current financial year pursuant to the Shareholders' Mandate. The approving authority in the approval thresholds as set out in Section 2.7(d) of this Addendum may be delegated with the approval in writing of the Audit Committee, the basis shall be set out in such approval in writing of the Audit Committee.
- (v) The Company shall, on a periodic basis (at least on quarterly basis), report to the Audit Committee on all Mandated IPTs and the basis of such transactions, entered into with Interested Persons to ensure that they are carried out on normal commercial terms and in accordance with the guidelines and review procedures in the Shareholders' Mandate. The Audit Committee shall periodically review such Mandated IPTs except where any Mandated IPTs require the approval of the Audit Committee prior to the transaction. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction(s) and its supporting documents or such other data deemed necessary by the Audit Committee. The Audit Committee shall, when it deems fit, have the right to require the appointment of independent sources, advisors and/or valuers to provide additional information or review of controls and its implementation pertaining to the transactions under review.
- (vi) In the event that a member of the Audit Committee is interested in any Mandated IPTs, he shall abstain from participating in the review and approval of that particular transaction.

- (vii) The Group's internal auditor shall, on at least on half-yearly basis or such other periods as required by the Audit Committee, subject to adjustment in frequency, depending on factors such as, *inter alia*, substantial increment of aggregate transactional value, report to the Audit Committee on all Mandated IPTs, and the basis of such transactions, entered into with Interested Persons during the preceding period. Except where the Mandated IPTs concerned are required under the review procedures to be reviewed and approved by the Audit Committee prior to the entry thereof, the Audit Committee shall review such all other Mandated IPTs at its periodic meetings (which shall be held at least four times a year, or at such other frequency as decided by the Audit Committee).
- (viii) The Audit Committee will conduct periodic reviews at least on a quarterly basis of the review procedures for the Mandated IPTs. If during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and review procedures for Mandated IPTs have become inappropriate or insufficient in the event of changes to the nature of, or the manner in which, the business activities of the Group or the Interested Persons are conducted, new guidelines and procedures will be set so that Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders and the Company will seek a fresh mandate from Shareholders based on such new guidelines and procedures. All Mandated IPTs will be reviewed and approved by the Audit Committee prior to entry while a fresh general mandate is being sought from the Shareholders.
- (ix) The Audit Committee will review the letters of confirmation from key management personnel, the Controlling Shareholders and the Directors of the Company and all Interested Person Transactions on a periodic basis (which shall be at least on quarterly basis) and the outcome of such review shall be minuted.

For the purpose of the above review and approval process, any Director, who has an interest in the Mandated IPTs under review and is not considered independent, will abstain from voting on any resolution relating to the Mandated IPTs and/or abstain from participating in the Audit Committee's decision during its review of the established review procedures for the Mandated IPTs or during its review or approval of any Mandated IPTs.

## 2.8 Disclosure to Shareholders

In accordance with Chapter 9 of the Catalist Rules, the Company will:

- (a) disclose the Shareholders' Mandate and the aggregate value of the Mandated IPTs conducted pursuant to the Shareholders' Mandate in the annual report for the financial year during which the Shareholders' Mandate is in force; and
- (b) announce the aggregate value of the Mandated IPTs conducted pursuant to the Shareholders' Mandate for each relevant financial period, which it is required to report on pursuant to the Catalist Rules, within the time required for the announcement of such report. These disclosures will be made in the form required under Chapter 9 of the Catalist Rules.

The name of the Interested Person and the corresponding aggregate value of the IPTs will be presented in the following format:

Name of Interested Person	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all Interested Person Transactions conducted under the Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)



If during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or manner in which, the business activities of the Group are conducted, the Company will obtain a fresh mandate from the Shareholders based on new guidelines and review procedures to ensure that Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## **2.9 Validity Period of the Shareholders' Mandate**

If approved by Shareholders at the 2019 AGM, the renewal of the Shareholders' Mandate will take effect from the date of the Shareholders' approval, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company.

Approval from Shareholders will continue to be sought for the renewal of, the Shareholders' Mandate at the next annual general meeting and at each subsequent annual general meeting of the Company, subject to the satisfactory review by the Audit Committee of its continued application to the Mandated IPTs.

## **2.10 Review of Non-Mandated Interested Person Transactions and Review by the Audit Committee**

All other existing and future interested person transactions not subject to the Shareholders' Mandate will be reviewed and approved in accordance with the threshold limits as set out under Chapter 9 of the Catalist Rules, to ensure that they are carried out on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders. In the event that such interested person transactions require the approval of the Board and the Audit Committee, the relevant information will be submitted to the Board and the Audit Committee for review. In the event that such interested person transactions require the approval of Shareholders, additional information may be required to be presented to Shareholders and an independent financial advisor may be appointed for an opinion.

The Audit Committee will also review all interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules) are complied with.

## **2.11 Audit Committee's Statement**

- (a) The Audit Committee having reviewed and considered, *inter alia*, the terms of the approved Shareholders' Mandate, confirms that the methods and procedures for determining the transaction prices, are sufficient to ensure that the Interested Person Transactions will be made with the relevant categories of Interested Persons on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee confirms that the methods and procedures for determining the transaction prices have not changed since the last Shareholders approval at the 2018 AGM.

- (b) If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established methods and procedures are not sufficient or have become inappropriate to ensure that the Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with Interested Persons.

In the event that a member of the Audit Committee has a conflict of interest in relation to any interested person transaction, he will abstain from reviewing and/or approving (as the case may be) that particular transaction. Any such interested person transaction may only be approved with the unanimous approval of the remaining members of the Audit Committee.

## 2.12 Interests of Directors and Substantial Shareholders

The interests of the Directors and Substantial Shareholders in the Shares of the Company as at the Latest Practicable Date are set out below:-

Director	Direct Interest		Deemed Interest	
	Number of Shares	As a % of voting Shares <sup>(1)</sup>	Number of Shares	As a % of voting Shares <sup>(1)</sup>
Mr Serge Pun <sup>(2)</sup>	103,000	0.02	209,026,274	41.62
Mr Pun Chi Yam Cyrus	–	–	–	–
Mr Tun Tun	–	–	–	–
Mr Basil Chan	–	–	–	–
Mr Robin Lee Chye Beng	–	–	–	–
Mr Chan Chun Hung Vincent	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>				
YSH <sup>(3)</sup>	–	–	167,078,848	33.27
YSIL	167,078,848	33.27	–	–
Yangon Land Company Limited <sup>(4)</sup>	–	–	41,947,426	8.35
FMI	41,947,426	8.35	–	–
ACE-Pan Asia Opportunities	41,131,520	8.19	–	–
Shirish Sharaf	–	–	141,004,800	28.08
2S Holdings	–	–	141,004,800	28.08
Samena Capital Investors Co	–	–	141,004,800	28.08
Samena General Partner III Limited	–	–	141,004,800	28.08
Samena Capital	–	–	141,004,800	28.08
Samena Special Situations Fund III LP	–	–	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 Sdn. Berhad <sup>(5)</sup>	–	–	35,662,759	7.10
Mr Teo Soo Chew <sup>(6)</sup>	–	–	35,662,759	7.10
Mr Teo Soo Kiat <sup>(6)</sup>	–	–	35,662,759	7.10
Mr Teo Chiang Kai <sup>(6)</sup>	–	–	35,662,759	7.10

### Notes:

- (1) Percentage is calculated based on 502,170,955 Shares as at the Latest Practicable Date.
- (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) 33.21% shareholding interest in YSH, which owns the entire shareholding in YSIL; and (b) approximately 62.75% 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 Sdn. Berhad is deemed interested in the 35,662,759 Shares held by SHC Capital Holdings Pte. Ltd. arising from its 100% interest in SHC Capital 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.
- (8) The Shares were granted pursuant to the Memories Performance Share Plan. They are subject to a vesting schedule and will be released subject to the achievement of certain pre-determined performance conditions.

Save as disclosed above, none of the Directors or Substantial Shareholders are related to one another in any way.

### **2.13 Abstention from Voting**

Rule 919 of the Catalyst Rules requires that interested persons and any associate of the interested person must not vote on any shareholders’ resolution approving any mandate in respect of any interested person transactions, nor accept appointments as proxies unless specific instructions to voting are given.

YSIL and its associates, and FMI and its associates, being the Interested Persons, will abstain from voting, and will procure their respective associates to abstain from voting on the Ordinary Resolution 9 in respect of the Proposed Renewal of the Shareholders’ Mandate to be tabled at the 2019 AGM.

By virtue of his interest in YSH and FMI, Mr Serge Pun will abstain from voting, and will procure his associates to abstain from voting on the Ordinary Resolution 9 in respect of the Proposed Renewal of the Shareholders’ Mandate to be tabled at the 2019 AGM. Further, Mr Serge Pun will decline, and will ensure that his associates will decline to accept appointment as proxy(ies) to vote on the Ordinary Resolution 9 in respect of the Proposed Renewal of the Shareholders’ Mandate to be tabled at the forthcoming AGM unless specific instructions as to voting have been given by the Shareholder concerned.

### **2.14 Independent Directors’ Recommendation**

The Independent Directors are of the opinion that it is in the interests of the Company that the Group be permitted to have the flexibility to enter into the Interested Person Transactions described in Section 2.6 above in their ordinary course of business with the Interested Persons for reasons stated in this Addendum. Accordingly, the Independent Directors recommend that Shareholders vote in favour of the Ordinary Resolution 9 relating to the Proposed Renewal of the Shareholders’ Mandate.

Any Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager solicitor, accountant or other professional advisers immediately.

### **2.15 Approvals and Resolutions**

Shareholders’ approval for the Proposed Renewal of the Shareholders’ Mandate is being sought at the 2019 AGM. The resolution relating to the Proposed Renewal of the Shareholders’ Mandate is contained in the Notice of AGM as Ordinary Resolution 9.

## **2.16 Directors' Responsibility Statement**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the Proposed Renewal of the Shareholders' Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in the Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Addendum in its proper form and context.

Yours faithfully  
For and on behalf of the Board of Directors of  
**Memories Group Limited**

Mr Cyrus Pun  
Executive Director and Chief Executive Officer

## GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE CATALIST RULES

### Scope

Chapter 9 applies to transactions which a listed company or any of its subsidiaries (other than a subsidiary that is listed on an approved stock exchange) or associated companies (other than an associated company that is listed on an approved stock exchange or over which the listed group and/or its interested person(s) has no control) proposes to enter into a counter-party who is an interested person of the listed company.

### Definitions

An “interested person” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.

An “associate” means:-

- (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:-
  - (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

An “associated company” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or the group.

An “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules.

A “controlling shareholder” means a person who holds (directly or indirectly) 15% or more of the nominal amount of all voting shares in the listed company or one who in fact exercises control over its listed company.

A “control” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

An “entity at risk” means:

- (a) the listed company;
- (b) a subsidiary company of the listed company that is not listed on the SGX-ST or an approved exchange; or
- (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.

An “interested person transaction” means a transaction between an entity at risk and an interested person.

A “transaction” includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

### **General Requirements**

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from the ambit of Chapter 9, immediate announcement, or, immediate announcement and shareholders’ approval would be required in respect of transactions with interested persons if certain thresholds (which are based on the value of the transaction as compared with the listed company’s latest audited consolidated NTA), are reached or exceeded. In particular, shareholders’ approval is required where:

- (a) the value of such transaction is equal to or exceeds five per cent (5%) of the latest audited consolidated NTA of the group; or
- (b) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the group is equal to or exceeds five per cent (5%) of the latest audited consolidated NTA of the group. However, a transaction which has been approved by shareholders, or is the subject approved by shareholders, need not be included in any subsequent aggregation.

Immediate announcement of a transaction is required where:

- (a) the value of such transaction is equal to or exceeds three per cent (3%) of the latest audited consolidated NTA of the group, or
- (b) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the group is equal to or exceeds three per cent (3%) of the latest audited consolidated NTA of the group.

The above requirements for immediate announcement and for shareholders’ approval do not apply to any transaction below S\$100,000 (unless amended or modified otherwise).

### **General Mandate**

A listed company may seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.