



Memories Group Limited
(Company Registration No. 201201631D)

Unaudited Financial Statements and Dividend Announcement

For the Quarter and the Financial Year ended 31 March 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3, Q4), AND FULL YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

| | The Group | | | | | |
|---|---------------------------|---------------------------|-------------|---------------------------|-------------------------|-------------|
| | Quarter ended | | | Financial year ended | | |
| | 31.03.2019 (Unaudited) | 31.03.2018 (Unaudited) | Change | 31.03.2019 (Unaudited) | 31.03.2018 (Audited) | Change |
| | US\$'000 | US\$'000 | % | US\$'000 | US\$'000 | % |
| Revenue | 5,408 | 4,917 | 10% | 10,094 | 8,842 | 14% |
| Cost of sales | (3,348) | (2,568) | -30% | (6,319) | (4,628) | 37% |
| Gross profit | 2,060 | 2,349 | -12% | 3,775 | 4,214 | -10% |
| Other (loss)/income, net | (111) | 406 | -127% | 164 | 398 | -59% |
| Gain from bargain purchase | 8,067 | - | NM | 8,067 | - | NM |
| Acquisition cost arising from reverse takeover | - | - | - | - | (6,327) | NM |
| Expenses | | | | | | |
| - Administrative | (2,943) | (1,854) | -59% | (8,165) | (4,269) | -91% |
| - Selling & distribution | (144) | (1,44) | - | (407) | (240) | 70% |
| - Finance | (669) | - | NM | (1,087) | - | NM |
| Profit/(loss) before income tax | 6,260 | 757 | 727% | 2,347 | (6,224) | 138% |
| Income tax expense | (113) | (201) | 44% | (60) | (205) | 71% |
| Net Profit/(loss) attributable to equity holders of the company | 6,147 | 556 | NM | 2,287 | (6,429) | NM |
| Other comprehensive income | | | | | | |
| <i>Items that may be reclassified subsequently to profit or loss:</i> | | | | | | |
| - Currency translation gain/(loss) arising from consolidation | 355 | (300) | NM | (2,213) | (285) | NM |
| Total comprehensive income/(loss) attributable to equity holder of the company | 6,502 | 256 | NM | 74 | (6,714) | NM |

NM – Not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Profit/(Loss) for the financial period is stated after charging/ (crediting) the following:

| | The Group | | | | | |
|---|---------------|-------------|-------------|----------------------|------------|-------|
| | Quarter ended | | Change | Financial year ended | | |
| | 31.03.2019 | 31.03.2018 | | 31.03.2019 | 31.03.2018 | |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) | Change | |
| USD'000 | USD'000 | % | USD'000 | USD'000 | % | |
| Acquisition cost arising from reverse acquisition | - | - | - | - | 6,327 | -100% |
| Depreciation of property, plant and equipment | 797 | 240 | 232% | 1,520 | 709 | 114% |
| Amortisation of intangible assets | 82 | 156 | -47% | 367 | 361 | 2% |
| Foreign exchange loss/(gain), net | 313 | (1) | NM | 275 | 53 | NM |
| Employee share award expense | (3) | - | NM | 72 | - | NM |
| Gain on disposal of property, plant and equipment | - | - | - | - | 5 | -100% |
| Interest expenses on borrowings | 502 | - | NM | 660 | - | NM |
| Gain from bargain purchase ^(a) | (8,067) | - | NM | (8,067) | - | NM |
| Impairment loss | 35 | 31 | 13% | 35 | 31 | 13% |

NM – Not meaningful

Note (a) Gain on bargain purchase which had been determined provisionally based on the preliminary findings of the purchase price allocation report amounted to approximately US\$8.07 million was in relation to the acquisition of SM Assets Holdings Pte. Ltd. which holds Awei Pila, Hotel Suggati Mawlamyaing and undeveloped land development rights at Kyun Pila island. It was derived due to the lower fair value of purchase consideration paid for the said acquisition compared to the fair value of the net identifiable assets of SM Asset Holdings Pte. Ltd. acquired by the Company. This is a non-recurring non-operating income.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

| | Group | | Company | |
|---------------------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | 31.03.2019 (Unaudited) | 31.03.2018 (Audited) | 31.03.2019 (Unaudited) | 31.03.2018 (Audited) |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Assets | | | | |
| Current assets | | | | |
| Cash and bank balances | 2,265 | 9,075 | 91 | 6,676 |
| Trade and other receivables | 2,812 | 3,223 | 9,884 | 4,122 |
| Inventories | 184 | 134 | - | - |
| | 5,261 | 12,432 | 9,975 | 10,798 |
| Non-current assets | | | | |
| Investment in subsidiary corporations | - | - | 81,854 | 52,112 |
| Property, plant and equipment | 61,414 | 30,052 | 1 | - |
| Investment Properties | 16,683 | - | - | - |
| Intangible assets | 9,237 | 8,114 | - | - |
| Other receivables ^(b) | 662 | - | - | - |
| | 87,996 | 38,166 | 81,855 | 52,112 |
| Total assets | 93,257 | 50,598 | 91,830 | 62,910 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Trade and other payables | 12,715 | 5,507 | 13,795 | 324 |
| Borrowings | 1,042 | - | - | - |
| Current income tax liabilities | 564 | 537 | - | - |
| | 14,321 | 6,044 | 13,795 | 324 |
| Non-current liabilities | | | | |
| Borrowings | 15,511 | - | - | - |
| Deferred income tax liabilities | 2,334 | 745 | - | - |
| | 17,845 | 745 | - | - |
| Total liabilities | 32,166 | 6,789 | 13,795 | 324 |
| Net assets | 61,091 | 43,809 | 78,035 | 62,586 |
| Equity | | | | |
| Share capital | 84,472 | 67,902 | 84,767 | 68,197 |
| Accumulated losses | (1,331) | (3,618) | (7,323) | (5,564) |
| Currency translation reserve | (2,498) | (285) | (47) | (47) |
| Restructuring reserve | (20,190) | (20,190) | - | - |
| Performance share reserve | 72 | - | 72 | - |
| Other reserve | 566 | - | 566 | - |
| Total equity | 61,091 | 43,809 | 78,035 | 62,586 |

^(b) Please refer to Paragraph 13 for further details.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

| As at 31 Mar 2019 | | As at 31 Mar 2018 | |
|-------------------|-----------|-------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| 1,034 | - | - | - |

Amount repayable after one year

| As at 31 Mar 2019 | | As at 31 Mar 2018 | |
|-------------------|-----------|-------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| 15,511 | - | - | - |

Total borrowings of the Group as at 31 March 2019 of Kyats 25.0 billion (approximately US\$16.55 million) are secured borrowings.

Included in total secured borrowings as at 31 March 2019 were:-

- (a) a bank loan of Kyat 13.0 billion (approximately US\$8.6 million) owing by Pun Hlaing Lodge Hotel Management Limited ("PHLHML"). The loan is secured by a plot of land of 2.20 acres in Pun Hlaing Estate where Awei Metta is situated.
- (b) a bank loan of Kyat 12.0 billion (approximately US\$7.9 million) owing by Shwe Lay Ta Gun Travels & Tour Limited ("SLTG"). The loan is secured by several plots of land in Bagan of a total of 4.31 acres.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

| | Quarter ended | | Financial year ended | |
|---|---------------------------|---------------------------|---------------------------|-------------------------|
| | 31.03.2019 (Unaudited) | 31.03.2018 (Unaudited) | 31.03.2019 (Unaudited) | 31.03.2018 (Audited) |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Operating activities | | | | |
| Net profit/(loss) | 6,147 | 556 | 2,287 | (6,429) |
| Adjustment for: | | | | |
| -Transaction cost arising from reverse acquisition | - | - | - | 6,327 |
| - Amortisation of intangible assets | 82 | 156 | 367 | 361 |
| - Gain on bargain purchase | (8,067) | - | (8,067) | - |
| - Gain on disposal of property, plant and equipment | - | (5) | - | (5) |
| - Write off of property, plant and equipment | - | 5 | - | 5 |
| - Depreciation of property, plant and equipment | 797 | 240 | 1,520 | 709 |
| - Interest income from bank deposit | - | - | - | (8) |
| Performance share expense | (3) | - | 72 | - |
| - Interest expense on bank borrowings | 502 | - | 660 | - |
| - Income tax expense | 113 | 201 | 60 | 205 |
| - Unrealized currency translation losses/(gains) | 999 | (713) | (3,788) | (243) |
| | 570 | 440 | (6,889) | 922 |
| Working capital changes | | | | |
| - Trade and other receivables | 1,222 | (1,066) | 774 | (6,769) |
| - Trade and other payables | (12,765) | (1,236) | (862) | 8,598 |
| - Inventories | 125 | 181 | (25) | (9) |
| Cash used in operations | (10,848) | (1,681) | (7,002) | 2,742 |
| - Income tax paid | (137) | (359) | (141) | (584) |
| Net cash (used in)/ generated from operating activities | (10,985) | (2,040) | (7,143) | 2,158 |
| Investing activities | | | | |
| Additions to property, plant and equipment | (2,234) | (1,287) | (4,895) | (3,678) |
| Proceeds from disposal of property, plant and equipment | - | - | - | 6 |
| Proceeds from reverse acquisition | - | - | - | 3,107 |
| Acquisition of subsidiary corporations and business, net of cash acquired | - | (975) | (9,954) | (825) |
| Net cash used in investing activities | (2,234) | (2,262) | (14,849) | (1,390) |

| | Quarter ended | | Financial year ended | |
|---|---------------------------|---------------------------|---------------------------|-------------------------|
| | 31.03.2019 (Unaudited) | 31.03.2018 (Unaudited) | 31.03.2019 (Unaudited) | 31.03.2018 (Audited) |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Financing Activities | | | | |
| Proceeds from placement shares, net of transaction cost | - | 7,805 | - | 7,805 |
| Proceed from borrowings | - | - | 16,545 | - |
| Interest paid | (530) | - | (688) | - |
| Non – current other receivables ^(b) | - | - | (662) | - |
| Net cash (used in)/generated from financing activities | (530) | 7,805 | 15,195 | 7,805 |
| Net change in cash and cash equivalent | (13,749) | 3,503 | (6,797) | 8,573 |
| Cash and cash equivalent at the beginning of financial period/year | 16,010 | 5,512 | 9,075 | 546 |
| Effect of currency translation on cash and cash equivalents | 4 | 60 | (13) | (44) |
| Cash and cash equivalent at the end of financial period/year | 2,265 | 9,075 | 2,265 | 9,075 |

^(b) Please refer to Paragraph 13 for further details.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity

| The Group | Share capital | (Accumulated losses) | Currency translation reserve | Merger reserve | Performance share reserve | Other reserve | Total equity |
|---|----------------------|-----------------------------|-------------------------------------|-----------------------|----------------------------------|----------------------|---------------------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| As at 1 January 2019 | 84,472 | (7,478) | (2,853) | (20,190) | 75 | 566 | 54,592 |
| Employee share award forfeited | - | - | - | - | (3) | - | (3) |
| Total comprehensive income | - | 6,147 | 355 | - | - | - | 6,502 |
| | - | - | - | - | - | - | - |
| As at 31 March 2019 | 84,472 | (1,331) | (2,498) | (20,190) | 72 | 566 | 61,091 |
| As at 1 April 2018 | 67,902 | (3,618) | (285) | (20,190) | - | - | 43,809 |
| Issuance of ordinary shares | 16,576 | - | - | - | - | - | 16,576 |
| Share issue expenses | (6) | - | - | - | - | - | (6) |
| Shares to be issued | - | - | - | - | - | 566 | 566 |
| Total comprehensive income/(loss) | - | 2,287 | (2,213) | - | - | - | 74 |
| Employee share award expense | - | - | - | - | 72 | - | 72 |
| As at 31 March 2019 | 84,472 | (1,331) | (2,498) | (20,190) | 72 | 566 | 61,091 |
| As at 1 January 2018 | 60,097 | (4,174) | 15 | (20,190) | - | - | 35,748 |
| Issuance of placement shares | 8,133 | - | - | - | - | - | 8,133 |
| Share issue expenses | (328) | - | - | - | - | - | (328) |
| Total comprehensive income/(loss) | - | 556 | (300) | - | - | - | 256 |
| As at 31 March 2018 | 67,902 | (3,618) | (285) | (20,190) | - | - | 43,809 |
| As at 1 April 2017 | 39,982 | 2,811 | - | (20,190) | - | - | 22,603 |
| Issuance of shares for acquisition of subsidiary corporations | 10,800 | - | - | - | - | - | 10,800 |
| Issuance of shares for reverse acquisition | 9,315 | - | - | - | - | - | 9,315 |
| Issuance of placement shares | 8,134 | - | - | - | - | - | 8,134 |
| Share issue expenses | (329) | - | - | - | - | - | (329) |
| Total comprehensive loss | - | (6,429) | (285) | - | - | - | (6,714) |
| As at 31 March 2018 | 67,902 | (3,618) | (285) | (20,190) | - | - | 43,809 |

| | Share Capital | Accumulated loss | Currency translation reserve | Performance share reserve | Other reserve | Total equity |
|---|------------------|---------------------|------------------------------------|---------------------------------|-----------------|-----------------|
| The Company | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| As at 1 January 2019 | 84,767 | (7,153) | (47) | 75 | 566 | 78,208 |
| Employee share awards forfeited | - | - | - | (3) | - | (3) |
| Total comprehensive loss | - | (170) | - | - | - | (170) |
| As at 31 March 2019 | 84,767 | (7,323) | (47) | 72 | 566 | 78,035 |
| As at 1 April 2018 | 68,197 | (5,564) | (47) | - | - | 62,586 |
| Issuance of ordinary shares | 16,570 | - | - | - | - | 16,570 |
| Shares to be issued | - | - | - | - | 566 | 566 |
| Total comprehensive loss | - | (1,759) | - | - | - | (1,759) |
| Employee share award expense | - | - | - | 72 | - | 72 |
| As at 31 March 2019 | 84,767 | (7,323) | (47) | 72 | 566 | 78,035 |
| As at 1 January 2018 | 59,776 | (5,246) | (47) | - | - | 54,483 |
| Currency alignment due to change of functional currency | 617 | - | - | - | - | 617 |
| Issuance of ordinary shares | (329) | - | - | - | - | (329) |
| Issuance of placement shares | 8,133 | - | - | - | - | 8,133 |
| Total comprehensive loss | - | (318) | - | - | - | (318) |
| As at 31 March 2018 | 68,197 | (5,564) | (47) | - | - | 62,586 |
| As at 1 April 2017 | 7,664 | (2,465) | (65) | - | - | 5,134 |
| Issuance of shares pursuant to reverse acquisition | 52,112 | - | - | - | - | 52,112 |
| Currency alignment due to change of functional currency | 617 | - | - | - | - | 617 |
| Issuance of placement shares | 8,133 | - | - | - | - | 8,133 |
| Issuance of ordinary shares | (329) | - | - | - | - | (329) |
| Total comprehensive (loss)/income | - | (3,099) | 18 | - | - | (3,081) |
| As at 31 March 2018 | 68,197 | (5,564) | (47) | - | - | 62,586 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital – Ordinary Shares

| | No of ordinary shares of the Company | Issued and paid-up share capital of the Company (US\$) |
|-------------------------------|---|---|
| As at 31 December 2018 | 501,670,955 | 84,767,787 |
| As at 31 March 2019 | 501,670,955 | 84,767,787 |

Note:

Save for the share awards disclosed below, the Company did not have any outstanding options or convertibles as at 31 March 2019 and 31 March 2018. There were no subsidiary holdings or treasury shares as at 31 March 2019 and 31 March 2018.

Memories Performance Share Plan (“Memories PSP”)

On 4 April 2018, the Company granted a share award of 1,000,000 shares to the former Chief Executive Officer of the Company, Mr Georges Michel Novatin, pursuant to the Memories PSP. 50% of the award comprising 500,000 shares had been forfeited during the fourth quarter of the financial year ended 31 March 2019. As of 31 March 2019, the total number of outstanding ordinary shares to be issued pursuant to vesting of the share award granted under the Memories PSP was 500,000 (31 March 2018: Nil). The Company had issued and allotted 500,000 new ordinary shares in April 2019 upon vesting of this share award.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

| | 31 March 2019 | 31 March 2018 |
|-------------------------------|----------------------|----------------------|
| Total number of issued shares | 501,670,955 | 351,307,182 |

There were no treasury shares as at 31 March 2019 and 31 March 2018.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no subsidiary holdings during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's independent auditor.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5 below, the accounting policies and methods of computation adopted in the financial statements for the current reporting financial year are consistent with those applied to its audited financial statement for the financial year ended 31 March 2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted a new financial reporting framework, Singapore Financial Reporting Standards (International) (SFRS(I)s), on 1 April 2018 and has prepared its first set of financial information under SFRS(I)s for the quarter ended 30 June 2018.

The Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. In addition to the adoption of the new framework, the Group will also concurrently apply the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from the same date:

- SFRS(I) 9 *Financial Instruments* which includes the amendments to IFRS 4 *Insurance Contracts* – Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts* issued by the IASB in September 2016;
- Requirements in SFRS(I) 2 *Share-based Payment* arising from the amendments to IFRS 2 – *Classification and Measurement of Share-based Payment Transactions* issued by the IASB in June 2016;
- Requirements in SFRS(I) 1-40 *Investment Property* arising from the amendments to IAS 40 – *Transfers of Investment Property* issued by the IASB in December 2016;
- Requirements in SFRS(I) 1-28 *Investments in Associates and Joint Ventures* arising from the amendments to IAS 28 – *Measuring an associate or joint venture at fair value* issued by the IASB in December 2016; and
- SFRS(I) INT 22 *Foreign Currency Transactions and Advance Consideration*.

The Group does not expect the application of the above standards and interpretations to have a significant impact on the consolidated financial statements for the current financial period.

6. **Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

| | The Group | | | |
|--|----------------------|-------------------|-----------------------------|-------------------|
| | Quarter ended | | Financial year ended | |
| | 31.03.2019 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| Profit/(loss) attributable to equity holders of the Company (US\$'000) | 6,147 | 556 | 2,287 | (6,429) |
| Weighted average number of ordinary shares in issue used for computing basic loss per share ('000) | 501,671 | 349,603 | 417,442 | 316,583 |
| Performance share awards ('000) | 500 | - | 500 | - |
| Shares to be issued * (000) | 3,891 | - | 3,891 | - |
| Weighted average number of ordinary shares in issue used for computing diluted loss per share ('000) | 506,062 | - | 421,833 | - |
| Basic earnings/(loss) per share (US cents) | 1.23 | 0.16 | 0.55 | (2.03) |
| Diluted earnings/(loss) per share (US cents) | 1.21 | 0.16 | 0.54 | (2.03) |

As at 31 March 2019, 500,000 (31 March 2018: Nil) performance share awards under the Memories PSP were outstanding.

The weighted average number of shares in issue for the purpose of calculating diluted loss per share had been adjusted as if all performance share awards and the additional issuances of shares to U Kun Naung Myint Wai ("UKNMW") were issued as at 31 March 2019.

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

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) Current period reported on; and
(b) Immediately preceding financial year.**

| | Group | | Company | |
|--|--------------|--------------|--------------|--------------|
| | 31.03.2019 | 31.03.2018 | 31.03.2019 | 31.03.2018 |
| Net asset value (US\$'000) | 61,091 | 43,809 | 78,035 | 62,586 |
| Number of ordinary shares in issue ('000) | 501,671 | 351,307 | 501,671 | 351,307 |
| Net asset value per ordinary share (US cents) | 12.18 | 12.47 | 15.56 | 17.82 |

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss: -
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Review of the Group's performance for financial year ended 31 March 2019 ("FY2019") as compared to the financial year ended 31 March 2018 ("FY2018")

Consolidated Statement of Comprehensive Income

The Group's total revenue for FY2019 increased by 14.2% to US\$10.09 million as compared to US\$8.84 million in FY2018. Below is the breakdown of revenue.

| | The Group | | | | | |
|--------------|---------------|--------------|--------------|-----------------------|--------------|--------------|
| | Quarter ended | | | Financial Years ended | | |
| | 31.03.2019 | 31.03.2018 | Change | 31.03.2019 | 31.03.2018 | Change |
| | US\$'000 | US\$'000 | % | US\$'000 | US\$'000 | % |
| Hotels | 650 | 277 | 134.7% | 1,158 | 487 | 137.8% |
| Experiences | 3,448 | 3,403 | 0.01% | 6,428 | 5,945 | 8.1% |
| Services | 1,310 | 1,274 | 2.8% | 2,508 | 2,410 | 4.1% |
| Total | 5,408 | 4,917 | 10.0% | 10,094 | 8,842 | 14.2% |

Figures stated in Note 8 are subject to rounding up to 2 decimal places (millions).

Revenue from the Group's Hotel segment increased by 137.8% to US\$1.16 million in FY2019 as compared to US\$0.49 million in FY2018. The increased revenue in this segment were mainly contributed by the revenue generated from the new hotel business acquired during the financial year, i.e. the acquisitions of Keinnara Loikaw in May 2018, Awei Pila in October 2018, and Hotel Suggati Mawlamyaing in October 2018. In addition, the opening of Awei Metta in January 2019 also contributed to the increase in revenue of the Group's Hotel segment.

The Experience Segment in FY2019 grew by US\$0.48 million to US\$6.43 million as compared to US\$5.95 million in FY2018. The growth was attributable to the full year revenue contributed by Burma Boating in FY2019 as compared to FY2018 of which the said acquisition was only completed in February 2018.

The Group also recorded revenue of US\$2.51 million from its Service Segment in FY2019 for the full twelve month operations as compared to US\$2.41 million in FY2018 for seven month operations.

The Group's cost of sales increased by approximately US\$1.69 million or 36.5% to approximately US\$6.32 million in FY2019 compared to US\$4.63 million in FY2018. The increase was in line with the increase in revenue. In addition, the increase in cost

of sales was also due to increase in staff cost as additional staff were hired for the new hotel openings (Awei Metta, Awei Pila and Hotel Suggati Mawlamyaing). These included pre-opening expenses in preparation for the new hotels openings.

The Group's gross profit margin decreased by 10.3 percentage points to 37.4% in FY2019 mainly due to the lower gross profit margin of the Hotel segment. The new hotel business acquired during the financial year and opening of the new hotels in FY2019 had contributed to lower gross margin as compared to FY2018 where the BOB Business (Experiences segment) was the main contributor of the Group.

Gain on bargain purchase determined provisionally based on the preliminary purchase price allocation report amounted to approximately US\$8.07 million was in relation to the acquisition of SM Assets Holdings Pte. Ltd. which holds Awei Pila, Hotel Suggati Mawlamyaing and undeveloped land development rights at Kyun Pila island. It was derived due to the lower fair value of purchase consideration paid for the said acquisition compared to the fair value of the net identifiable assets of SM Asset Holdings Pte. Ltd. acquired by the Company. This is a non-recurring non-operating income.

The Group's administrative expenses increased by approximately US\$3.90 million or 91.3% from approximately US\$4.27 million in FY2018 to approximately US\$8.17 million in FY2019. This was mainly due to the acquisitions of the Keinnara Loikaw, Awei Pila and Hotel Suggati Mawlamyaing (Hotels Segment) and Burma Boating (Experiences Segment) which incurred one-off professional fees. In addition, the opening of new hotels also contributed to an increase in the staff cost for administrative personnel, depreciation charges and repair and maintenance costs.

The following items were included in the finance expenses:-

| | The Group | | The Group | |
|---|---------------------------|---------------------------|---------------------------|-------------------------|
| | Quarter ended | | Financial Year ended | |
| | 31.03.2019 (Unaudited) | 31.03.2018 (Unaudited) | 31.03.2019 (Unaudited) | 31.03.2018 (Audited) |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Interest expenses on borrowings ^(a) | 502 | - | 660 | - |
| Finance fee | - | - | 80 | - |
| Currency translation losses on borrowings, net ^(b) | - | - | 347 | - |
| Total Finance Expenses | 502 | - | 1,087 | - |

(a) Interest expenses on borrowings was US\$0.66 million in FY2019 arising from borrowings by the Group amounting to US\$16.55 million.

(b) The currency translation losses on borrowings of US\$0.347 million which was recognised in FY2019 was a result of the strengthening of the Kyat against US\$,

in which the borrowings are denominated, against the functional currencies of the borrowing entities during the financial year.

As a result of the above, the Group recorded a net profit after tax of US\$2.29 million in FY2019 as compared to a net loss after tax of US\$6.43 million in FY2018.

Consolidated statement of financial position as at 31 March 2019 as compared to 31 March 2018

Cash and bank balances was lower at US\$2.27 million as at 31 March 2019 mainly due to the cash payment to the vendor for the acquisition of SM Asset Holdings Pte. Ltd (Awei Pila and Hotel Suggati Mawlamyaing) and 20% of the remaining interest in Mokaan (S) Pte Ltd of US\$11.41 million. In addition, the Group made payment of partial cash consideration for the acquisition of Keinnara Loikaw (Hotels Segment) amounting to US\$0.73 million. The continuous development of the Awei Pila, Awei Metta and Hotel Suggati Mawlamyaing (Hotels Segment) further reduced cash by US\$4.11 million. The decrease was offset by the secured bank borrowings amounting to US\$16.55 million.

Trade and other receivables decreased by US\$0.41 million to US\$2.81 million as at 31 March 2019 primarily attributed to the decrease in DMC Business's deposits and prepayments balance due to reduction in confirmed bookings received as at 31 March 2019. This is a result of the upcoming rainy season in Myanmar which typically runs from April to September, when tourism activities are expected to be lower.

The value of investment properties amounting to US\$16.7 million as at 31 March 2019. This are undeveloped land development rights at Kyun Pila island acquired for capital appreciation and / or leasing purposes.

Property, plant and equipment increased by US\$31.36 million to US\$61.41 million as at 31 March 2019. This was mainly due to the acquisition of hotels from SM Asset Holdings Pte. Ltd. being Awei Pila and Hotel Suggati Mawlamyaing in October 2018 and Keinnara Loikaw in May 2018.

Intangible assets were higher by US\$1.12 million as at 31 March 2019 mainly attributable to the goodwill of US\$1.49 million from the acquisition of Keinnara Loikaw which were then offset by the amortisation of air operating rights for the BOB Business (Experiences Segment) and customer relationship for the DMC Business (Services Segment) amounting to US\$0.36 million.

Trade and other payables increased by US\$7.21 million to US\$12.72 million as at 31 March 2019. The increase was mainly due to the outstanding consideration payable to the vendor for the acquisition of 20% of the remaining interest in Mokaan (S) Pte Ltd amounting to US\$2.33 million. The deferred cash consideration payable to Wa Minn Group of Companies Company Limited and U Kun Naung Myint Wai of US\$0.73 million (in cash) in relation to the acquisition of Keinnara Loikaw (Hotels Segment) also contributed to the rise in trade and other payable. In addition, the continuous development of Awei Metta, Awei Pila and Hotel Suggati Mawlamyaing in Mawlamyaing contributed to the increase in trade and other payables (retention sum and construction accrual for work done).

Current and non-current borrowings as at 31 March 2019 totalling US\$16.55 million are secured bank borrowings.

As at 31 March 2019, the Group was in a net current liabilities position of US\$9.06 million mainly arising from payables for the development cost of the Awei Metta, Awei Pila and Hotel Suggati Mawlamyaing (Hotels Segment) and the increase in staff cost and pre-operation expenses for these newly acquired hotels. The Group is in the process of securing additional working capital.

Review of Statement of Cash Flows

The Group's net cash used in operating activities amounted to US\$7.14 million in FY2019, which comprised operating cash outflow before the change in working capital of US\$6.89 million and net working capital outflow of US\$0.11 million which was mainly due to payment to the vendor for the acquisition of SM Asset Holdings Pte. Ltd which the Group has to partially pay in cash for the acquisition.

The Group's net cash used in investing activities in FY2019 amounted to US\$14.85 million. This was mainly due to the increase in investment in subsidiaries, being the acquisition of Keinnara Loikaw, Awei Pila, and Suggati Mawlamyaing. In addition, the construction costs capitalised for the development of facilities in Awei Metta, Awei Pila and Hotel Suggati Mawlamyaing (Hotels Segment) also contributed to the increase in cash used for investing activities.

The Group's net cash provided from financing activities in FY2019 amounted to US\$15.20 million. This was mainly due to proceeds of bank loans obtained of US\$16.55 million, offset by interest paid and decrease in non-current other receivables of US\$1.35 million.

As at 31 March 2019, the Group's cash and cash equivalents amounted to approximately US\$2.27 million.

9. Where a forecast, or a prospect statement has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Despite the challenging tourism environment that Myanmar is facing from a fall in the number of Western travellers, the situation is balanced with a notable rise in tourist arrivals from Asia. According to the tourist statistics provided by Myanmar's Ministry of Hotels & Tourism, the first three months of 2019 already saw over a 100% growth in travellers from Greater China¹ as compared to the first three months of 2018. At the same time, the Ministry of Hotels & Tourism has noticeably stepped up its efforts to promote Myanmar as a destination, including possible further easing of visa requirement to countries beyond Asia.

Against this backdrop, the Group's Experiences businesses have held up during FY2019. The Group has been enhancing its marketing efforts in Asia and barring unforeseen circumstances is expecting its effort to materialise with improved bookings from Asia in the medium term.

Since the official openings of Awei Metta, Awei Pila, and Hotel Suggati Mawlamyaing in January 2019, these new hotels have steadily been building up their reputation and occupancy rates. It will take a while for the market awareness, repeat customer base and resultant occupancy rates to build-up. With greater publicity surrounding the Mergui Archipelago, Awei Pila has been featured in many well-known travel magazines and has received positive ratings from staying guests on TripAdvisor. As for Keinnara Hpa An and Keinnara Loikaw, business has remained relatively stable, notwithstanding the decline of European tourists.

The Group had also recently acquired a minority stake in three iconic hotels located in Yangon, namely, The Strand Hotel, Inya Lake Hotel, and Hotel G Yangon. Part of the Group's investment was also in The Strand Cruise that operates cruise services along the Ayeyarwady River. The Group's investment in the three iconic hotels has expanded the Group's hotel portfolios.

Memories Travel will be re-strategising its sales and marketing plan for the European market and expanding its efforts into other markets. With the peak season coming to a close, the Group expects the sales in the next six months to be slow due to the monsoon season. The Group will use the slower season to look into improving its operational processes and conducting upgrades and refurbishments of hotel assets where they would be beneficial.

¹ <https://tourism.gov.mm/statistics/arrivals-2019-march/>

11. Dividend

(a) Current Financial Period Reported On: Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year: Any dividend declared for the corresponding period of the immediately preceding financial year?

No

(c) Date payable:

Not applicable

(d) Books closure date:

Not applicable

12. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.

No dividend has been recommended for the current financial period reported on as the Group intends to conserve cash for working capital.

13. If the group has obtained a general mandate from shareholders for interested person transactions (“IPT”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The details of interested person transactions from 1 April 2018 to 31 March 2019 are set out below.

| Name of Interested Person | Aggregate value of all interested person transactions during FY 2019 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions during FY 2019 which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) |
|---------------------------------------|--|---|
| Associates of Mr. Serge Pun.:- | | |
| Construction Services ⁽¹⁾ | - | ^(a) US\$ 4,837,051 |
| Rental of office units ⁽²⁾ | - | US\$238,018 |
| Support Services ⁽³⁾ | - | US\$613,466 |
| Finance | ^(b) US\$661,813 | US\$30,169 ⁽³⁾⁽⁴⁾ |
| Airline Services ⁽⁵⁾ | - | US\$2,585 |
| | - | |
| Total | US\$661,813 | US\$5,721,289 |

Notes:

- (1) SPA Design and Project Services Ltd.
- (2) Yoma Development Group Limited.
- (3) Yoma Strategic Holdings Ltd.
- (4) YOMA Bank Limited
- (5) FMI Air Limited

The aggregate value of all interested person transactions conducted under the IPT mandate is presented for the period from 1 April 2018 to 31 March 2019.

^(a) The bulk of this amount relates to payment to third party sub-contractors by SPA Design and Project Services Ltd for the provision of project management services for the Group's hotels.

^(b) This is an one-off loan (plus interest) to Pun Hlaing Lodge Company Limited, a subsidiary of Yoma Strategic Holdings Ltd., in exchange for the release of its land grant for the benefit of the Company as a security for, and is on the same interest terms as, the Company's bank loan.

14. Use of Compliance Placement Proceeds

The Company refers to the net proceeds raised from the compliance placement of 42.6 million new shares at S\$0.25 per new share which was completed on 4 January 2018 (“**Compliance Placement**”).

As at the date of this announcement, the status on the use of the net proceeds from the Compliance Placement is as follows:

| <u>Use of Net Proceeds from the Compliance Placement</u> | <u>Amount allocated</u> <u>S\$'000</u> | <u>Amount Utilised</u> <u>S\$'000</u> | <u>Balance</u> <u>S\$'000</u> |
|---|---|--|----------------------------------|
| Completion of construction of Pun Hlaing Lodge | 3,046 | 3,046 | - |
| Expenditure for branding and marketing efforts and developing an integrated technology platform | 762 | 398 | 364 |
| Working capital ⁽¹⁾ | 761 | 761 | - |
| Investment in or acquisition of further hospitality and tourism assets in Myanmar | 3,046 | 3,046 | - |
| Net proceeds | 7,615 | 7,251 | 364 |
| Estimated expenses incurred in relation to the RTO transaction | 2,661 | 2,662 | - |
| Placement Commission | 373 | 373 | - |
| Total Gross Proceeds from the Proposed Compliance Placement to the Company | 10,650 | 10,286 | 364 |

Note:

(1) Used for the payment of salaries, professional cost and upkeep of its assets.

The Company will continue to make periodic announcement via SGXNET on the utilisation of the balance of the net proceeds from the Compliance Placement as and when such proceeds are materially disbursed.

15. Confirmation that the issue has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Listing Manual.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3, Q4 or Full Year Results)**

16. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recent audited annual financial statements, with comparative information for the immediately preceding year.**

| Financial year ended 31 March 2019 | Myanmar | | | Singapore | |
|---|-------------|----------|----------|-----------|----------|
| | Experiences | Services | Hotels | Corporate | Total |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Revenue | | | | | |
| Total Segment Sales | 6,601 | 2,517 | 1,212 | - | 10,330 |
| Less: Inter- segment sales | 173 | 9 | 54 | - | 236 |
| Sales to external parties | 6,428 | 2,508 | 1,158 | - | 10,094 |
| Adjusted EBITDA | 1,095 | (392) | (1,750) | 2,125 | 1,078 |
| - Depreciation of property, plant and equipment | 667 | 18 | 835 | - | 1,520 |
| - Amortisation of intangible assets | 260 | 107 | - | - | 367 |
| - Gain on Bargain purchase | - | - | 8,067 | - | 8,067 |
| Segment assets | 11,944 | 7,487 | 72,427 | 1,399 | 93,257 |
| Segment assets includes: | | | | | |
| Additions to : | | | | | |
| - Property, plant and equipment | 474 | - | 43,571 | 1 | 44,046 |
| - Intangible assets – Goodwill | - | - | 1491 | - | 1491 |
| -Investment properties | - | - | 16,683 | - | 16,683 |
| Segment liabilities | 10,478 | 1,797 | 15,770 | 4,121 | 32,166 |

| Financial year ended 31 March 2018 | Experiences | Services | Hotels | Corporate | Total |
|---|-------------|----------|----------|-----------|----------|
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Revenue | | | | | |
| Total Segment Sales | 6,062 | 2,410 | 525 | - | 8,997 |
| Less: Inter-segment sales | (117) | - | (38) | - | (155) |
| Sales to external parties | 5,945 | 2,410 | 487 | - | 8,842 |
| Adjusted EBITDA | 1,586 | (175) | 83 | (321) | 1,173 |
| - Depreciation of property, plant and equipment | 575 | 12 | 122 | - | 709 |
| - Amortisation of intangible assets | 273 | 88 | - | - | 361 |
| - Acquisition cost arising from reverse acquisition | - | - | - | 6,327 | 6,327 |
| Segment assets | 5,566 | 9,451 | 22,713 | 12,868 | 50,598 |
| Segment assets includes: | | | | | |
| Additions to : | | | | | |
| - Property, plant and equipment | 920 | 10 | 2,748 | - | 3,678 |
| - Intangible assets – Goodwill | 261 | 5,484 | 537 | - | 6,282 |
| -Intangible assets – Others | 63 | 1,508 | - | - | 1,571 |
| Segment liabilities | 1,887 | 1,706 | 2,902 | 294 | 6,789 |

18. In the review of performance, the factors leading to any material changes in distribution to turnover and earnings by operating segments.

Please refer to paragraph 8.

19. Breakdown of sales in the first half and second half of the financial year

| | Group | | |
|---|------------------|------------------|--------|
| | 12 Months Ended | | Change |
| | 31 March 2019 | 31 March 2018 | |
| | (Unaudited) | (Unaudited) | |
| | US\$'000 | US\$'000 | % |
| Sales reported for first half year | 812 | 2 | NM |
| Operating loss after tax before deducting non-controlling interests reported for first half year | (3,380) | (1,406) | 140% |
| Sales reported for second half year | 9,282 | 8,840 | 5% |
| Operating profit after tax before deducting non-controlling interests reported for second half year | 5,667 | (5,023) | 213% |

20. A breakdown the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable. No dividend has been recommended for FY2019 and FY 2018.

21. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must take an appropriate negative statement.**

| Name | Age as at 31 March 2019 | Family relationship with any director, CEO and/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any, during the year |
|-------------|--------------------------------|---|--|--|
| Serge Pun | 65 | Father of Cyrus Pun who is the Executive Director and Chief Executive Officer of the Company. | Executive Chairman appointed on 26 December 2017. | NA |
| Cyrus Pun | 39 | Son of Serge Pun who is the Executive Chairman and a substantial shareholder of the Company. | Executive Director and Chief Executive Officer appointed on 1 February 2019. | NA |

BY ORDER OF THE BOARD

Cyrus Pun
Executive Director and Chief Executive Officer

28 May 2019

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

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

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