



Media Release

Memories Group 3Q2018 revenue increased 57.4% y-o-y to US\$3.9 million

- Net operating profit increased by 84.3% to US\$0.8 million excluding the one-off RTO expenses of US\$6.3 million
- Pun Hlaing Lodge is expected to be completed by end of 2018
- Actively negotiating for acquisition targets within Myanmar to expand its hotel portfolio
- Expanding its hot-air balloons business in the region and plans to begin additional operations at a new location by the end of 2018
- Increasing sales and marketing efforts and targeting more Asian tourists to the country

Singapore, 9 February 2018 – SGX-Catalist listed Memories Group Limited¹ (“Memories Group” or the “Company”) and together with its subsidiaries (the “Group”), a Myanmar-based tourism-focused company, today announced its financial results for the three months (“3Q2018”) and nine months (“9M2018”) ended 31 December 2017.

Memories Group was listed on the SGX-Catalist on 5 January 2018. The Group’s revenue for 3Q2018 increased by 57.4% to US\$3.9 million from US\$2.5 million in 3Q2017. The increase was mainly due to the revenues generated by the assets acquired and consolidated upon the completion of the acquisition, largely attributed to Hpa-An Lodge (Hotel Segment) and Asia Holidays Travel & Tours (Services Segment).

Financial Highlights

In USD'000 except otherwise stated	3Q2018	3Q2017	% change	9M2018	9M2017	% change
Revenue	3,873	2,461	57.4	3,895	2,461	58.3
Gross Profit	1,798	1,350	33.2	1,762	1,350	30.5
Net Operating Profit / (Loss)	765	415	84.3	(658)	(772)	14.8
Acquisition Cost Arising from RTO	(6,327)	-	(100%)	(6,327)	-	(100%)
Net Profit / (Loss)	(5,562)	415	(1,440.2)	(6,985)	(772)	(804.8)

¹ Memories Group Limited was listed on the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 5 January 2018 after a successful reverse takeover of SHC Capital Asia Limited.



Included in the Group's 3Q2018 and 9M2018 financial results was a one-off acquisition cost arising from the completion of the reverse takeover ("RTO") amounting to US\$6.3 million resulting in the Group reporting a net loss of US\$5.6 million. This non-recurring expense represented the excess of the fair value of the shares deemed issued by MM Myanmar Pte Ltd as consideration for the reverse acquisition of the Company over the fair value of the Company's identifiable net assets.

The Group's net operating profit of approximately US\$0.8 million in 3Q2018, represented a 84.3% increase compared to a net operating profit of approximately US\$0.4 million in 3Q2017. Correspondingly, the Group's resulting net profit margin would have improved to 19.8% for 3Q2018 vis-à-vis 16.9% in 3Q2017.

With an enlarged portfolio, the Group's net assets increased to US\$36.1 million as at 31 December 2017 as compared to US\$16.1 million as at 31 March 2017. The Group's net asset value per share for as at 31 December 2017 increased by 122.7% to 11.7 cents as compared to 5.3 cents as at 31 March 2017.

As at 31 December 2017, the Group's cash and cash equivalents amounting to approximately US\$5.5 million excluding the gross placement proceeds of S\$10.7 million from the compliance placement in relation to the placement of 42.6 million new shares at S\$0.25 per placement share which was completed on 4 January 2018.

Outlook

The growth potential of the Myanmar tourism industry is promising as it has seen significant increases in tourist arrivals over the years. The Myanmar government expects the tourism industry to grow by 6.8% from fiscal year 2017 to 2018².

Given the increasing trend of Asian holiday-makers in Myanmar, the Group's service segment has started moving into new markets targeting tourists in Asia while continuing its sales and marketing efforts at attracting Western travelers. The Company expects to see a broader clientele base starting the season in October 2018.

The Group's Balloons over Bagan continues to enjoy healthy occupancy rate. The introduction of a premium balloon ride service which offers a champagne and continental breakfast after the flight has attracted good demand. The Group is looking to expand its hot-air balloons business in the region and plans to begin additional operations at a new location by the end of 2018. Meanwhile, the expected completion of Pun Hlaing Lodge at the end of 2018, coupled with potential hotel acquisitions will help the Group to gain greater scale and drive further revenue growth.

² <https://www.mmtimes.com/news/government-expects-growth-68pc-2017-18.html>



Mr Serge Pun, Executive Chairman of Memories Group commented *“The listing of Memories Group has created a new and exciting platform for us to build a formidable tourism company in Myanmar. Since its inception barely a month ago, we have been approached by numerous tourism and hospitality operators who are interested in coming aboard our platform and to become part of a larger, stronger group. The benefits of an integrated tourism platform are evident to investors and practitioners in the industry. We have, therefore, been actively negotiating for acquisition targets within Myanmar to expand our asset portfolio, and are also looking into expanding our balloons business in the region.”*

“We look forward to providing our professional hotel management services to various local hotel owners that are keen to upgrade and add value to their properties. This will be a steady fee income service for the Company. The coming year will be an exciting period for us as we implement our corporate strategy and growth plans,” added **Mr Michel Novatin, CEO of Memories Group**.

End.

Note: This media release is to be read in conjunction with the Company’s announcement issued on SGXNET on 9 February 2018.



About Memories Group

Memories Group is a leading tourism company in Myanmar that operates an “Integrated Tourism Platform” which synergistically connects its Experiences, Services and Hotels Segments under the group to provide a seamless, one-of-a-kind experience aimed at creating lasting memories. Its businesses include (i) the Balloons Over Bagan, which is an iconic Myanmar tourist attraction, that operates hot air balloon flights in the Bagan and Inle Lake regions; (ii) the Bagan Land is intended to be developed into a proposed commercial and tourism-related hospitality development located in Nyaung U Township, Bagan; (iii) a destination management company branded under Asia Holidays Travel & Tours Co. Ltd; (iv) Hpa-An Lodge, a luxury 19-room boutique resort hotel located in the foothill of Mount Zwegabin in Hpa-An Township of Karen State; and (v) Pun Hlaing Lodge, a 46-room unique ‘urban resort’ located within Pun Hlaing Estate in Hlaing Thayar Township of Yangon, when completed.

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This press release has been prepared by the Company and its contents have been reviewed by the sponsor, PrimePartners Corporate Finance Pte. Ltd. (“Sponsor”) for compliance with the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this press release..

This press release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this press release including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this press release.

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