



Media Release

Memories Group acquires a portfolio of assets including an island in Myanmar's Mergui Archipelago

- **Acquiring development rights over 5,100-acres islands, a 24-villa five-star hotel and a 72-room three-star hotel**
- **The combined purchase price of US\$40.7 million will be funded by cash and issuance of new shares**
- **The new shares will be issued at a significant premium of 16.9% over the last traded weighted average price**
- **Memories Group's Integrated Tourism Platform now covers seven of Myanmar's major tourist destinations**

Singapore, 25 July 2018 – SGX-Catalist listed Memories Group Limited (“Memories Group” or the “Company”) and together with its subsidiaries (the “Group”), a Myanmar-based tourism-focused company will be acquiring the development rights of Bo Ywe Island, Nga Mann Island and Kyun Pila Island (collectively, the “Islands”), together with Awei Pila¹ which is a five-star hotel located on the Kyun Pila Island. In addition, the Group will also be acquiring Hotel Suggati¹, a three-star hotel in Mawlamyaing. The total purchase price for all these assets is US\$40.7 million.

The Kyun Pila, Bo Ywe and Nga Mann Islands are some of the most pristine islands in the Mergui Archipelago and are approximately 90km or a 2-hour speedboat ride from Kawthaung, Myanmar's southernmost city. The development rights to the Islands has a 50-year lease term from 2013 and is renewable for an additional two terms of 10 years each.

The Islands have 10 major and 40 minor beaches², providing the Group with an opportunity to develop resorts and host a number of tourism activities. The Islands' usable land area is approximately 100-acres with a further 550-acres reserved for future development². Additionally, the development rights allow the Group to supervise over 4,450-acres of environmental protected land, which may be utilised to create trails for eco-friendly activities such as trekking, bird watching and nature study tours with biologists.

¹ The hotel is being developed under the supervision of the Memories Group

² Internal research



Awei Pila will be the first five-star beachfront resort on Kyun Pila Island and is scheduled to open by the end of December 2018. The luxurious resort will have 24 eco-designed villas with spacious rooms offering unobstructed views of a white sandy beach and clear blue waters. In addition to its modern facilities, the resort will also offer daily outdoor recreational activities for staying guests such as forest hiking, diving and other eco-friendly activities.

Hotel Suggati will be a 72-room three-star business and leisure hotel located along the river bank of Salween River in Mawlamyaing, Mon State, and is scheduled to open by the end of December 2018. The hotel is a 10-minute drive from the city's centre and has a good range of facilities including a spa, restaurant, gym, boardroom, and ballroom which can host up to 90 people. Mawlamyaing, formerly known as Moulmein, is the fourth largest city in Myanmar with one of the largest sea and trading ports in the region³. Mawlamyaing is also home to the world's largest reclining Buddha³, which is a major tourist attraction.

Mr. Serge Pun, Executive Chairman of Memories Group commented, *“We have been working on these acquisitions for a while now and are happy that they have come to fruition. The unique positioning of the Islands, together with the two well-located properties will broaden our hotel offering and further enhance our integrated tourism platform. We want to allow people to explore Myanmar, to have them embrace the culture of this country, and experience the beauty of its untouched, natural environments.”*

The sellers are a group of 17 third party stakeholders with Samena Mandalay Holdings being the largest stakeholder. Samena Mandalay Holdings is an investment vehicle of Samena Special Situations Fund III L.P., a private equity fund managed by Samena Capital⁴.

The aggregate acquisition consideration for the two hotels and the development rights of the Islands is US\$40.7 million, which is based on independent valuations performed by Jones Lang LaSalle. The acquisition will be funded by cash and the issuance of new shares.

A total of 146,473,133 ordinary shares of the Company (“Shares”) at an issue price of S\$0.25 per Share (the “Consideration Shares”), which represents US\$26.9 million or 66.2% of the purchase price, will be allotted and issued at completion of the acquisition. The issue price of S\$0.25 per Consideration Share represents a 16.9% premium over the weighted average price of the Company's Shares of S\$0.2138

³ www.mawlamyine.com

⁴ Samena Capital is a principal investment group focusing on the Subcontinent, Asia, Middle East and North Africa (collectively, the SAMENA region); and currently manages total capital of approximately US\$1.0 billion (www.samenacapital.com)



for trades done on the SGX-ST on 20 July 2018, being the full market day on which the Company's shares were traded prior to the date of the sales and purchase agreement on 25 July 2018.

The remaining 33.8% of the purchase price will be funded by a cash consideration of US\$13.8 million which is payable only upon the satisfaction of certain conditions subsequent. The cash consideration will be funded by way of a combination of debt/equity fund raising in the capital markets and/or external borrowings.

Samena Mandalay Holdings will hold approximately 28.11% of the enlarged share capital of Memories Group following the completion of the acquisition.

The Company intends to rely on the general share issue mandate to be obtained at the forthcoming annual general meeting ("AGM") to be held on 25 July 2018 for the issuance of the Consideration Shares⁵ It will also be making an application to the SGX-ST through its Sponsor for the listing of and quotation for the Consideration Shares on the Catalist. The Company will make the relevant announcements on completion and upon receipt of the listing and quotation notice from SGX-ST.

Commenting on the acquisition, Mr. Serge Pun added, *"This is the second acquisition where the vendor has accepted Memories Group's shares at a premium which is an indication to the positive outlook they have on Myanmar's tourism market and the Company's growth. We are very glad to welcome Samena Capital as our new shareholder."*

Commenting on transaction, Shirish Saraf, Founder & Vice Chairman of Samena Capital, said, *"We are excited about the opportunities for international tourism in Myanmar. We are glad to combine our Myanmar tourism investments with Memories Group and become a shareholder of the enlarged Group. We look forward to collaborating with Memories Group in building a unique tourism platform."*

End.

Note: This media release is to be read in conjunction with the Company's announcement issued on SGXNET on 25 July 2018.

⁵ The Consideration Shares represent approximately 41.2% of the existing issued share capital of the Company of 355,197,822 Shares and 29.2% of the enlarged share capital of the Company of 501,670,955 Shares after the issuance and allotment of the Consideration Shares.



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) Burma Boating, operator and organiser of premium cruises on luxury yachts in the Mergui Archipelago in Southern Myanmar; (iii) the Bagan Land is intended to be developed into a proposed commercial and tourism-related hospitality development located in Nyaung U Township, Bagan; (iv) a destination management company branded under Asia Holidays Travel & Tours Co. Ltd (Memories Travel); (v) Hpa-An Lodge (Keinnara Hpa An), a luxury 19-room boutique resort hotel located in the foothill of Mount Zwegabin in Hpa-An Township of Karen State, (vi) Pun Hlaing Lodge (Awei Metta), a 46-room unique ‘urban resort’ located within Pun Hlaing Estate in Yangon, when completed; and (vii) Kayah Resort (Keinnara Loikaw), is a 26-key boutique resort in Loikaw, Kayah State.

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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 Catalyst. The Sponsor has not verified the contents of this announcement.

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 announcement including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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