



## Media Release

# Memories Group FY2018 revenue increases 44% to US\$8.8 million

### Key Highlights

- Higher revenue in 4Q2018 and FY2018 driven by an enlarged portfolio of assets
- Net asset value per share increased 154% to 12.5 US cents per share
- Continues to invest in building a robust integrated tourism platform in Myanmar that aims to generate long-term sustainable returns for shareholders
- Actively looking to acquire potential assets

**Singapore, 29 May 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, today announced its financial results for the three months (“4Q2018”) and full year (“FY2018”) ended 31 March 2018.

### Financial Highlights

In US\$'000 except otherwise stated	4Q2018	4Q2017	% change	FY2018	FY2017	% change
Revenue	4,917	3,669	34.0	8,842	6,156	43.6
Gross Profit	2,300	2,282	(0.8)	4,092	3,658	11.9
Net Operating Profit / (Loss)	556	1,793	(69.0)	(102)	1,038	(109.8)
Acquisition Cost Arising from RTO	-	-	-	(6,327)	-	(100.0)
Net Profit / (Loss)	556	1,793	(69.0)	(6,429)	1,038	(719.4)



The Group's revenue for 4Q2018 increased by 34.0% year-on-year to US\$4.9 million, while revenue for FY2018 increased by 43.6% year-on-year to US\$8.8 million. The increase was driven by revenue contribution from Hpa-An Lodge (Hotel Segment) and Asia Holidays Travel & Tours (Services Segment). Both assets were acquired and consolidated upon the completion of the reverse takeover ("RTO") on 5 January 2018 for the listing of Memories Group.

The Group's net profit for 4Q2018 was US\$0.6 million, while FY2018 recorded a net loss of US\$6.4 million mainly due to a one-off acquisition cost arising from the completion of the RTO amounting to US\$6.3 million.

With an enlarged portfolio, the Group's net assets more than doubled to US\$43.8 million as at 31 March 2018 compared to last year. Cash and cash equivalents, which amounted to approximately US\$9.1 million included the remaining gross placement proceeds of S\$4.6 million<sup>1</sup>. Correspondingly, the Group's net asset value per share as at 31 March 2018 increased by 154.0% to 12.5 US cents as compared to 4.9 US cents as at 31 March 2017.

Commenting on the FY2018 financial results, **Mr Michel Novatin, CEO, Memories Group** said, *"It has been an exciting period for us since the listing of Memories Group as we implement our corporate strategy and growth plans. As we expand our tourism platform, we look forward to strengthening our portfolio of brands, while at the same time managing our profitability, both from driving up revenues and containing costs."*

## **Business Performance**

### **Hotels**

Revenue of US\$0.5 million from the Hotels Segment in FY2018 was generated solely from Hpa An Lodge, which is a 19-room boutique hotel located in the foothills of Mount Zwegabin in Karen State, Myanmar. Hpa An Lodge benefitted from a well mix of international and domestic travellers. The average room rate had

---

<sup>1</sup> The Group completed a placement of 42.6 million new shares at S\$0.25 per placement share raising S\$10.7 million on 4 January 2018.



increased by 10% in FY2018. However, in line with lower tourist arrivals, occupancy rate had declined by 8 percentage points to 60%.

## **Experience**

Revenue from the Experience Segment was mainly from the Balloons over Bagan (“BOB”) business which operates 12 balloons in Bagan and two balloons in the Inle Lake region. While the demand for BOB remained strong, the revenue declined by 4.0% to US\$5.9 million in FY2018 as the Company had to cancel some of its flights due to poor weather conditions.

## **Services**

Revenue from the Services Segment was contributed solely by Asia Holidays Travel & Tours, which had mainly generated revenue from tours booked through other travel agents and direct bookings from customers overseas. Revenue in FY2018 was at US\$2.4 million, the majority of its customers during this period came from Western countries.

## **Outlook**

Tourism activities are expected to be lower in the coming months as Myanmar enters into the raining season which runs between April and September. Tourism activities should pick up again between October and March, which is traditionally seen as the peak tourism period in Myanmar.

## **Hotels Segment**

In Yangon, the construction of Pun Hlaing Lodge is expected to be completed by the end of financial year ending 31 March 2019 (“FY2019”). Outside of Yangon, the Group is actively looking to expand its hotel portfolio through (i) the acquisition of well-located hotels with asset enhancement opportunities, and (ii) the adding of more hotel management contracts to enable the Group to build up its portfolio of brands.



## Experiences Segment

Demand for the Group's Balloons over Bagan business, which operates between October and April is expected to remain healthy. Meanwhile, Burma Boating, which was acquired in March 2018, has secured healthy pre-bookings until the end of May 2019.

## Services Segment

The Group will continue its sales and marketing strategies targeting Western travellers. It will also ramp up efforts in building its brand awareness and business in the Asian market. The Company expects to see a broader clientele base for the new season from October 2018.

**Mr Serge Pun, Executive Chairman of Memories Group** added, *"We are investing to build up a robust integrated tourism platform in Myanmar that will generate long-term sustainable returns for our shareholders. Our first acquisition of Burma Boating in March this year demonstrates our effort to look for good assets to expand our tourism platform. As we build our platform, we aim to provide a unique experience for our customers and also help other hospitality owners re-energise their assets, adding to Myanmar's standing as a vibrant and attractive destination."*

End.

Note: This media release is to be read in conjunction with the Company's announcement issued on SGXNET on 29 May 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) 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, which offers premium yacht cruises in the Mergui Archipelago; (iii) 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; (v) 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 (vi) Pun Hlaing Lodge, a 46-room unique ‘urban resort’ located within Pun Hlaing Estate in Hlaing Thayar Township of Yangon, when completed.

---

For enquiries, please contact Cogent Communications:

Ms Melissa Sim, Tel: (65) 6704-9287, Mob: (65) 9380-2938 Email: [melissasim@cogentcomms.com](mailto:melissasim@cogentcomms.com)

Mr Gerald Woon, Tel: (65) 6704-9268, Mob: (65) 9694-8364 Email: [woon@cogentcomms.com](mailto:woon@cogentcomms.com)

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 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.

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](mailto:sponsorship@ppcf.com.sg)).