



Memories Group Limited
(Company Registration No. 201201631D)

Unaudited Financial Statements and Dividend Announcement

For the Second Quarter ended 30 September 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR 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			Half year ended		
	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	Change	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	255	3	NM	812	3	NM
Cost of sales	(328)	(42)	NM	(814)	(42)	NM
Gross loss	(73)	(39)	87%	(2)	(39)	-95%
Other income/(loss), net	276	46	NM	168	(38)	NM
Expenses						
- Administrative	(1,843)	(709)	160%	(3,465)	(1,365)	163%
- Selling & distribution	(59)	(17)	247%	(144)	(41)	251%
Loss before income tax	(1,699)	(719)	136%	(3,443)	(1,434)	140%
Income tax credit	30	6	400%	63	23	174%
Net loss attributable to equity holders of the Company	(1,669)	(713)	134%	(3,380)	(1,411)	140%
Other comprehensive income						
<i>Items that may be reclassified subsequently to profit or loss:</i>						
- Currency translation loss arising from consolidation	(1,841)	174	NM	(2,747)	(7)	NM
Total comprehensive loss attributable to equity holders of the Company	(3,510)	(539)	551%	(6,127)	(1,419)	332%

NM – Not meaningful

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

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

	The Group					
	Quarter ended			Half year ended		
	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	Change	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	Change
US\$'000	US\$'000	%	US\$'000	US\$'000	%	
Depreciation of property, plant and equipment	401	133	202%	647	255	154%
Amortisation of intangible assets	96	69	39%	191	137	39%
Foreign exchange gain/(loss), net	265	43	NM	115	(47)	NM
Employee share award expense	25	-	NM	50	-	NM
Gain on disposal of property, plant and equipment	-	-	-	-	5	NM

NM – Not meaningful

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	
	30.09.2018 (Unaudited)	31.03.2018 (Audited)	30.09.2018 (Unaudited)	31.03.2018 (Audited)
	US\$'000	US\$'000	US\$'000	US\$'000
Assets				
Current assets				
Cash and bank balances	2,896	9,075	1,881	6,676
Trade and other receivables	2,915	3,223	8,332	4,122
Inventories	191	134	-	-
	6,002	12,432	10,213	10,798
Non-current assets				
Investment in subsidiary corporations	-	-	52,112	52,112
Property, plant and equipment	30,972	30,052	1	-
Intangible assets	9,853	8,114	-	-
	40,825	38,166	52,113	52,112
Total assets	46,827	50,598	62,326	62,910
Liabilities				
Current liabilities				
Trade and other payables	7,313	5,507	303	324
Current income tax liabilities	534	537	-	-
	7,847	6,044	303	324
Non-current liabilities				
Deferred income tax liabilities	682	745	-	-
	682	745	-	-
Total liabilities	8,529	6,789	303	324
Net assets	38,298	43,809	62,023	62,586
Equity				
Share capital	68,468	67,902	68,763	68,197
Accumulated losses	(6,998)	(3,618)	(6,743)	(5,564)
Currency translation reserve	(3,032)	(285)	(47)	(47)
Restructuring reserve	(20,190)	(20,190)	-	-
Performance share reserve	50	-	50	-
Total equity	38,298	43,809	62,023	62,586

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

Amount repayable in one year or less, or on demand

As at 30 Sep 2018		As at 31 Mar 2018	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

Amount repayable after one year

As at 30 Sep 2018		As at 31 Mar 2018	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

Details of any collateral

(i) Not Applicable

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		Half year ended	
	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)	30.09.2018 (Unaudited)	30.09.2017 (Unaudited)
	US\$'000	US\$'000	US\$'000	US\$'000
Operating activities				
Net loss	(1,669)	(713)	(3,380)	(1,411)
Adjustment for:				
- Employee share award expense	25	-	50	-
- Amortisation of intangible assets	96	69	191	137
- Depreciation of property, plant and equipment	401	133	647	255
- Gain on disposal of property, plant and equipment	-	-	-	(5)
- Income tax credit	(30)	(6)	(63)	(23)
- Interest income	-	(1)	-	(1)
- Unrealised currency translation loss	1,803	(7)	347	(7)
	626	(525)	(2,208)	(1,055)
Working capital changes				
- Trade and other receivables	165	(566)	301	(628)
- Trade and other payables	(1,891)	1,749	(541)	2,070
- Inventories	(37)	(141)	(36)	(140)
Cash (used in)/generated from operations	(1,137)	517	(2,484)	247
Interest received	-	1	-	1
Income tax paid	(4)	-	(4)	-
Net cash (used in)/provided by operating Activities	(1,141)	518	(2,488)	248
Investing activities				
Additions to property, plant and equipment	(2,089)	(126)	(2,879)	(128)
Proceed from disposal of property, plant & equipment	-	-	-	5
Acquisition of businesses, net of cash acquired	-	-	(725)	-
Net cash used in investing activities	(2,089)	(126)	(3,604)	(123)
Net change in cash and cash equivalent	(3,230)	393	(6,092)	125
Cash and cash equivalent at the beginning of financial period	6,071	428	9,075	695
Effect of currency translation on cash and cash equivalents	55	-	(87)	-
Cash and cash equivalent at the end of financial period	2,896	820	2,896	820

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

<u>The Group</u>	Share capital	Retained profits/ (Accumulated losses)	Currency Translation Reserve	Restructuring reserve	Performance share reserve	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
As at 1 July 2018	68,468	(5,329)	(1,191)	(20,190)	25	41,783
Issue of shares	-	-	-	-	-	0
Total comprehensive loss	-	(1,669)	(1,841)	-	-	(3,510)
Employee share award expense	-	-	-	-	25	25
As at 30 Sep 2018	68,468	(6,998)	(3,032)	(20,190)	50	38,298
As at 1 April 2018	67,902	(3,618)	(285)	(20,190)	-	43,809
Issue of shares	566	-	-	-	-	566
Total comprehensive loss	-	(1,711)	(906)	-	-	(2,617)
Employee share award expense	-	-	-	-	25	25
As at 30 June 2018	68,468	(5,329)	(1,191)	(20,190)	25	41,783
As at 1 July 2017	43,087	2,113	(181)	(20,190)	-	24,829
Issue of shares	7,695	-	-	-	-	7,695
Total comprehensive loss	-	(713)	174	-	-	(539)
As at 30 Sep 2017	50,782	1,400	(7)	(20,190)	-	31,985
As at 1 April 2017	39,982	2,811	-	(20,190)	-	22,603
Issue of shares	3,105	-	-	-	-	3,105
Total comprehensive loss	-	(698)	(181)	-	-	(879)
As at 30 June 2017	43,087	2,113	(181)	(20,190)	-	24,829

The Company	Share Capital	Accumulated loss	Currency Translation Reserve	Restructuring Reserve	Performance share reserve	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000		US\$'000
As at 1 July 2018	68,763	(6,402)	(47)	-	25	62,339
Issue of shares	-	-	-	-	-	-
Employee share award expense	-	-	-	-	25	25
Total comprehensive loss	-	(341)	-	-	-	(341)
As at 30 Sep 2018	68,763	(6,743)	(47)	-	50	62,023
As at 1 April 2018	68,197	(5,564)	(47)	-	-	62,586
Issue of shares	566	-	-	-	-	566
Employee share award expense	-	-	-	-	25	25
Total comprehensive loss	-	(838)	-	-	-	(838)
As at 30 June 2018	68,763	(6,402)	(47)	-	25	62,339
As at 1 July 2017	7,664	(3,209)	(47)	-	-	4,408
Total comprehensive loss	-	(4)	(10)	-	-	(14)
As at 30 Sep 2017	7,664	(3,213)	(57)	-	-	4,394
As at 1 April 2017	7,664	(2,465)	(65)	-	-	5,134
Total comprehensive loss	-	(744)	18	-	-	(726)
As at 30 June 2017	7,664	(3,209)	(47)	-	-	4,408

- 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 1 July 2018 and 30 September 2018	355,197,822	68,763,156

Save for the share awards disclosed below, the Company did not have any outstanding options or convertibles as at 30 September 2018 and 30 September 2017. There were no subsidiary holdings or treasury shares as at 30 September 2018 and 30 September 2017.

Memories Performance Share Plan (“Memories PSP”)

On 4 April 2018, the Company granted share awards of 1,000,000 shares to the Chief Executive Officer of the Company, Mr Georges Michel Novatin, pursuant to the Memories PSP. As of 30 September 2018, the total number of ordinary shares awarded under the Memories PSP was 1,000,000 and will be vested in 2 tranches on 1 April 2019 and 1 April 2020 respectively (30 September 2017: Nil).

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

	30 September 2018	31 March 2018
Total number of issued shares	355,197,822	351,307,182

There were no treasury shares as at 30 September 2018 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 period 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.

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		Half year ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Loss attributable to equity holders of the Company (US\$'000)	(1,669)	(791)	(3,380)	(1,489)
Weighted average number of ordinary shares in issue used for computing basic loss per share ('000)	355,198	305,983	353,680	305,983
Performance share awards ('000)	1,000	-	1,000	-
Weighted average number of ordinary shares in issue used for computing diluted loss per share ('000)	356,198	305,983	354,680	305,983
Basic and diluted loss per share (US cents)	(0.47)	(0.26)	(0.95)	(0.49)

As at 30 September 2018, 1,000,000 (30 September 2017: 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 were issued as at 30 September 2018.

The basic and diluted loss per share are the same as the Group incurred net loss for the respective financial periods.

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	
	30.09.2018	31.03.2018	30.09.2018	31.03.2018
Net asset value (US\$'000)	38,298	43,809	62,023	62,586
Number of ordinary shares in issue ('000)	355,198	351,307	355,198	351,307
Net asset value per ordinary share (US cents)	10.78	12.47	17.46	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 Quarter ended 30 September 2018 ("Q2 2019") as compared to the Quarter ended 30 September 2017 ("Q2 2018")

Consolidated Statement of Comprehensive Income

	The Group					
	Q2 2019	Q2 2018	Change	HY 2019	HY 2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Hotels	68	3	162%	160	3	519%
Experiences	-	-	-	221	-	NM
Services	187	-	NM	431	-	NM
Total	255	3	NM	812	3	NM

NM – Not meaningful

The Group's revenue grew from US\$3,000 in Q2 2018 to US\$255,000 in Q2 2019. The growth was attributable to the full impact from the acquisitions of the HAL Business (hotel/lodge business operating under the name "Hpa An Lodge" (Hotels Segment) and the DMC Business (the tourism and destination management business operating under the name "Asia Holidays") (Services Segment) in Q2 2019 compared to Q2 2018 as the acquisitions were completed on 17 August 2017. In addition, the acquisition of Kayah Resort (Hotels Segment) which was completed in May 2018 also contributed to the rise in revenue.

The cost of sales was higher by approximately US\$286,000 from US\$42,000 to US\$328,000 in Q2 2019. The increase was in line with the increase in revenue following the acquisitions of the HAL Business and Kayah Resort (relating to staff cost and food & beverage expenses), Burma Boating (relating to staff cost and food & beverage expenses), and the DMC Business (relating to hotels, tour expenses, airfares and food & beverage expenses incurred as part of the package tours offered by the DMC Business to end customers).

Depreciation expenses of property, plant and equipment are reclassified from cost of sales to administrative expenses. This is reflected retrospectively in the respective financial period.

The Group's gross loss margin was 29% in Q2 2019 and it was mainly contributed by the gross loss of the HAL Business and Kayah Resort (Hotels Segment). In addition, the BOB Business and Burma Boating (Experiences Segment) were also affected by the raining season (off season).

The Group's administrative expenses increased by approximately US\$1.1 million or 160% from US\$709,000 in Q2 2018 to US\$1.8 million in Q2 2019. This was mainly due to additional expenses incurred by Memories Group Limited (staff cost, depreciation and professional cost), BOB Business (Experiences Segment) (staff cost, depreciation expense and office rental), DMC Business (Services Segment) (staff cost) and other overhead costs incurred by the Group. The acquisitions of the HAL Business, Kayah Resort (Hotels Segment) and Burma Boating (Experiences Segment) had also added to the increase in staff cost for the administrative personnel and depreciation cost.

As a result of the above, the Group recorded a net loss after tax of approximately US\$1.7 million in Q2 2019 as compared to a net loss after tax of approximately US\$713,000 in Q2 2018.

Consolidated statement of financial position as at 30 September 2018 as compared to 31 March 2018

Cash and bank balances decreased by approximately US\$6.2 million to approximately US\$2.9 million as at 30 September 2018. This was mainly due to payment of partial cash consideration for the acquisition of Kayah Resort (Hotels Segment) amounting to US\$725,000. The continuous development of the PHL Business (Hotels Segment) also reduced the cash by US\$2.9 million. In addition, there was a translation loss of US\$86,000. The remaining amount of approximately US\$2.5 million was used for working capital, explained further below.

Trade and other receivables stood at approximately US\$2.9 million as at 30 September 2018. The decrease was mainly due to the settlement of receivables from the DMC Business (Services Segment) and currency translation adjustment for receivables denominated in foreign currencies.

Property, plant and equipment increased by approximately US\$920,000 to approximately US\$31.0 million as at 30 September 2018. This is explained by the acquisition of the Kayah Resort (Hotels Segment) which comprised building and landscaping amounting to US\$770,000 and the additional construction costs capitalised for the continuous development of the PHL Business (Hotels Segment) amounting to US\$3.7 million. However, the increase in cost was offset by the translation loss arising from consolidation of US\$2.4 million as at 30 September 2018 as a result of weakening of Myanmar Kyat (MMK) against US Dollars (US) and depreciation expenses for the period of US\$647,000. The books of PHL Business is maintained in MMK.

Intangible assets increased by approximately US\$1.7 million as at 30 September 2018 mainly due to the provisional goodwill of US\$1.9 million arising from the acquisition of Kayah Resort business and offset by amortisation of intangible assets for BOB Business (Experiences Segment) and customer relationship for DMC Business (Services Segment) amounting to US\$190,000 for HY 2019. The provisional goodwill may be adjusted subsequent to the completion of the Purchase Price Allocation to be performed during the measurement period, i.e. within one year from the acquisition date.

Trade and other payables increased by approximately US\$1.8 million to approximately US\$7.3 million as at 30 September 2018. The increase was mainly due to the deferred consideration payable to Wa Minn Group of Companies Company Limited and U Kun Naung Myint Wai of US\$1.2 million (in cash and new shares) for the acquisition of Kayah Resort (Hotels Segment).

As at 30 September 2018, the Group was in a net current liabilities position of US\$1.8 million mainly arising from the continuous development of the PHL Business (Hotel Segment) and the higher staff cost and pre-operation expenses for newly acquired hotels. The Group is in the process of finalising bank facilities which are expected to be completed in Q3 2019 in order to strengthen its working capital position.

Review of Statement of Cash Flows

The Group's net cash used in operating activities amounted to approximately US\$1.1 million in Q2 2019, which comprised operating cash inflow before the change in working capital of approximately US\$626,000 and net working capital outflow of approximately US\$1.8 million which was mainly due to staff cost and food & beverage expenses.

The Group's net cash flows used in investing activities in Q2 2019 amounted to approximately US\$2.1 million. This was mainly due to the additional construction costs capitalised for the continuous development of the PHL Business (Hotels Segment).

As at 30 September 2018, the Group's cash and cash equivalents in Q2 2019 amounted to approximately US\$2.9 million.

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

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.

Tourism in Myanmar had been affected this year due to the Rakhine issue, most notably with a reduction of tourists from western countries. According to the Myanmar tourism statistics for year to-date to September 2018, visitors from China rose by approximately 33.63%¹ and the Group is targeting this growing market segment.

Historically, Myanmar's tourism peak months typically commence at the beginning of October and end in March. This year however, due to climate changes, the peak season has seemingly been pushed back as heavy rains continued during the month of October. As such, the peak season started in late October and is expected to extend into April as was the case during the 2017-2018 season.

Hotels Segment

- i) Awei Metta (originally called Pun Hlaing Lodge), is scheduled for soft opening in mid-December and will be in full operation in January 2019. Pre-booking of rooms have already been accepted for December 2018.
- ii) Keinnara Hpa An (originally called Hpa-An Lodge), has secured healthy bookings for the current peak season. Unfortunately for several days in October, guests were unable to access the lodge due to heavy flooding in the area. The flooding has since ended.
- iii) Keinnara Loikaw (originally called Kayah Resort), which was recently acquired has completed certain requisite renovations and is ready to receive guests. Further renovations are planned during the low season next year so as to enable to the Group to offer better services.
- iv) The acquisition of Awei Pila which was announced in July 2018, was completed on 26 October 2018. The soft opening of this luxurious beach resort is on track for December 2018.
- v) The acquisition of Hotel Suggati in Mawlamyaing, which was also announced in July 2018 was completed on 26 October 2018. The soft opening of this hotel is also on track for December 2018.

In addition to acquiring hotel assets to boost its brand portfolio, the Group is also actively looking for more hotel management contracts, specifically targeting quality lodges and boutique hotels countrywide that matches the Group's quality standards.

¹ <http://tourism.gov.mm/visitor-arrivals-2018/>

Experiences Segment

- i) The operations of Balloons Over Bagan (“BOB”) commenced in October as per past season but was affected by inclement weather during the first two weeks of October. The Group is also seeing competition from new balloon operators. However, the Group expects to see the demand for its balloon rides to remain healthy given its sterling and well-established reputation in the market.
- ii) The bookings for Burma Boating for the current season started a little later than usual as the Group had to reorganise the business after its acquisition. Burma Boating is a strategic acquisition and it is expected to offer synergetic services to complement the Group’s existing operations.

Services Segment

The Group will continue its sales and marketing strategies targeting travellers from its traditional European market. A new brand “Memories Travel” has been created to undertake the new initiatives to capture the Asian market and the Company is exploring partnerships in China, Japan, Korea and ASEAN that will help promote Myanmar tourism.

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/recommended, a statement to that effect

No dividend has been recommended for the current financial period reported on.

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 30 September 2018 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⁾	-	US\$1,643,486
Rental of office units ⁽²⁾	-	US\$99,410
Support Services ⁽³⁾	-	US\$248,619
Finance ⁽⁴⁾	-	US\$186
Airline Services ⁽⁵⁾	-	US\$2,585
	-	

Note:

- (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 30 September 2018.

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	120	642
Working capital	761	761	-
Investment in or acquisition of further hospitality and tourism assets in Myanmar	3,046	973	2,073
Net proceeds	7,615	4,900	2,715

As at the date of this announcement, the Company has utilised the proceeds allocated for “Working Capital” for the Company and its subsidiaries 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. Negative Confirmation by the Board Pursuant to Rule 705(5)

To the best of the Board of Directors’ knowledge, nothing has come to their attention which may render the unaudited financial results for the second quarter financial period ended 30 September 2018 to be false or misleading in any material aspect

16. 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.

BY ORDER OF THE BOARD

Georges Michel Novatin
Chief Executive Officer

8 November 2018

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

This announcement 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).