



## Media Release

# Memories Group takes stake in three iconic Yangon hotels and a boat cruise

- **Shares purchase agreement will give Memories Group a 15.28% stake in Strand Hotel International Limited which has a 50% interest in The Strand Hotel, Inya Lake Hotel, and Hotel G Yangon and an 80% interest in The Strand Cruise**
- **Consideration of US\$3.19 million payable through the issuance of unlisted convertible bonds with a coupon rate of 5% per annum**

**Singapore, 29 April 2019** – SGX-Catalist listed Memories Group Limited (“Memories Group” or the “Company” and together with its subsidiaries the “Group”), a Myanmar-based tourism-focused company, entered into a shares purchase agreement (“SPA”) with Oakfame Investment Limited (“Oakfame”) and its holding company, Sun Hung Kai & Co. Limited, to acquire 1,696,636 shares in the capital of Strand Hotel International Limited (“Target” or “SHIL”), which represents approximately 15.28% of the total issued and paid up shares of SHIL (“Proposed Acquisition”).

SHIL is a joint venture partner of the Directorate of Hotels and Tourism Development in the Republic of the Union of Myanmar, and holds a 50% stake in Myanmar Hotel International Company Limited (“MHIL”) which has long-term leasehold rights and the rights to develop, operate, and manage three hotels in Yangon – the Strand Hotel, the Inya Lake Hotel and Hotel G Yangon. SHIL has also entered into another joint venture with GCP Hospitality Management Limited and holds an 80% stake in Myanmar Cruise International Limited (“MCIL”), which owns a boat cruise in Myanmar.

The consideration payable by the Company to Oakfame under the shares purchase agreement shall be fully settled by way of the issuance of unlisted convertible bonds in the aggregate amount of US\$3.19 million at a coupon rate of 5% per annum. Assuming conversion at the maturity date, the maximum amount of the consideration will be US\$3.67 million, comprising US\$3.19 million principal amount, and accrued interest of US\$0.48 million. The maturity date of the convertible bonds is set at three years from the date of issuance.



The conversion price of US\$0.185 which is equivalent to S\$0.250 (based on the exchange rate of US\$1 to S\$1.35), represents a 177.8% premium over the weighted average price of the Company's shares of S\$0.09 that was last traded on SGX-ST on 24 April 2019, being the last market day on which the Company's shares were traded preceding market day of the SPA. Assuming conversion at the maturity date based on the conversion price, the maximum number of conversion shares to be allotted and issued will be up to 19,829,729 shares. Oakfame has the right to convert at any time before the maturity date, the principal amount including any accrued interest of the convertible bonds, into the Company's shares at the conversion price.

**Mr. Serge Pun, Executive Chairman of Memories Group commented,** *"We now have a stake in three beautiful and iconic hospitality assets in Yangon. Our shareholders and the investment community at large can now appreciate the time and effort we had spent over the past year to build up our portfolio of exciting tourism and hospitality assets to create a sustainable business."*

#### The Strand Hotel

The Strand Hotel, built in 1901, boasts an iconic British colonial architecture in its design. Its timeless elegance and understated luxury are qualities that draw people to step into what is often regarded as the Grand Dame of Yangon. Set against a backdrop of colonial splendour, the Strand offers guests an unforgettable stay by blending history and heritage with modern and luxurious décor, as well as a 24-hour personalised butler service.

For more information, please visit <https://www.hotelthestrاند.com>

#### Inya Lake Hotel

Surrounded by 27 acres of verdant gardens, a serene lake resplendent with lotus, lush trees and a swimming pool, unbeknownst to many, Inya Lake Hotel possesses a unique history. In an era of heightened tension between the Soviet Union and the US, it became part of the Soviet's foreign policy to befriend third world countries like Myanmar. When the Soviet's Secretary General visited Myanmar in 1958, he presented the Government of Myanmar with three gifts; one of which was the Inya Lake Hotel.

For more information, please visit <https://www.inyalakehotel.com>



### Hotel G Yangon

Hotel G is a vibrant, lifestyle hotel designed in modern trendiness and art, combined with a mix use of different materials and vivid colours to give the hotel a “pop of life”. Hotel G is part of the GCP Hospitality brand. GCP Hospitality operates and develops hotels in Asia and globally, with a portfolio of 19 hotels in major resort destinations and international business hubs in Asia and the US.

For more information, please visit <https://www.hotels-g.com/hotels/hotel-g-yangon/>

### The Strand Cruise

Custom built in 2015 with a shallow 1.4m draft, The Strand Cruise was designed to successfully navigate the shallow rivers of Myanmar. The 61-metre ship carries up to 50 passengers in 25 cabins along the Ayeyarwady River. Named and styled after its sister property, The Strand Yangon, The Strand Cruise offers flawless service and gourmet a la carte cuisine, to signature elements celebrating the golden age of the Strand as a meeting place for explorers and raconteurs.

For more information, please visit <https://www.thestrandcruise.com/>

**Mr. Cyrus Pun, CEO of Memories Group added,** *“The assets held by MHIL have long term value creation potential. The acquisition is in line with our plans to own, develop and/or operate more hotels and lodges so as to expand our hotel business segment. I remain convinced of the enormous tourism potential of Myanmar and I am keen to drive the expansion of our hotel business footprint across the country in order to further cement our position as the leading tourism company in Myanmar.”*

The Company will make further announcements upon the Company’s receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the conversion shares and upon the issuance of the convertible bonds to Oakframe.



## 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, operates hot-air balloon flights in the Bagan and Inle Lake regions; (ii) Burma Boating, 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 (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 Hlaing Thayar Township of Yangon, when completed; (vii) Kayah Resort (Keinnara Loikaw), is a 26-key boutique resort in Loikaw, Kayah State; (viii) Awei Pila, a luxury beachfront resort on Pila Island in the Mergui Archipelago; (ix) Hotel Suggati, a business and leisure hotel in Mawlamyaing; and (x) Development rights to three Mergui Archipelago islands.

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*This press release is to be read in conjunction with the Company's announcement released on SGXNET on 26 April 2019.*

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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 press release.

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