

## UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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*This announcement has been prepared by Sim Leisure Group Ltd. (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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### **Background**

Sim Leisure Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) was listed on the Catalist board of the SGX-ST (“**Catalist**”) on 1 March 2019. The Group is in the business of developing and operating theme parks in Penang, Malaysia. The Group currently operates the theme parks, ESCAPE Adventureplay and ESCAPE Waterplay. ESCAPE Adventureplay is an outdoor adventure theme park which contains eco-friendly features and unique design elements reminiscent of traditional villages in Malaysia. ESCAPE Waterplay is the first water park in Penang which features the same eco-friendly and traditional design elements as ESCAPE Adventureplay.

The Company was incorporated in the Republic of Singapore on 8 March 2018 as a private company limited by shares, under the name of “Sim Leisure Group Pte. Ltd.”. The Company was converted into a public limited company and the name of the Company was changed to “Sim Leisure Group Ltd.” in connection therewith on 24 December 2018.

The Group was formed pursuant to a restructuring exercise (the “**Restructuring Exercise**”) undertaken as part of its corporate re-organisation, which involved the rationalisation of its corporate and shareholding structure for the purposes of the Company’s listing on Catalist. Please refer to the Company’s offer document dated 22 February 2019 (registered by the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore on 22 February 2019) (“**Offer Document**”) in respect of the initial public offering of the shares of the Company (“**IPO**”), for further details on the Restructuring Exercise. Pursuant to the IPO, the Company issued and allotted 26,400,000 new shares in the capital of the Company (“**New Shares**”) at S\$0.22 each, with a resultant post-IPO issued and paid-up share capital of 134,225,000 shares.

For the purpose of this announcement, the financial results of the Group for the financial year ended 31 December 2019 (“**FY2019**”) and the comparative results of the Group for the financial year ended 31 December 2018 (“**FY2018**”) have been prepared on the assumption that the Group’s structure pursuant to the Restructuring Exercise had been in place since 1 January 2017.

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**PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**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.**

	<b>Group</b>		
	<b>FY2019</b>	<b>FY2018</b>	<b>Increase/ (Decrease)</b>
	<b>RM</b>	<b>RM</b>	<b>%</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>	
<b>Revenue</b>	21,859,616	20,820,571	5
Cost of sales	(8,733,252)	(8,720,909)	-*
<b>Gross profit</b>	13,126,364	12,099,662	8
Other income, net	13,270	20,560	(35)
Administrative expenses	(6,748,372)	(2,805,696)	141
Finance costs	(395,915)	(1,543,064)	(74)
<b>Profit from operations</b>	5,995,347	7,771,462	(23)
IPO expenses	(3,994,062)	-	n.m.
<b>Profit before income tax</b>	2,001,285	7,771,462	
Income tax expense	(1,875,689)	(2,117,148)	(11)
<b>Profit for the financial year representing total comprehensive income for the financial year</b>	125,596 <sup>(1)</sup>	5,654,314	(98)
<b>Profit/(loss) attributable to:</b>			
- Owners of the parent	131,769	5,654,314	(98)
- Non-controlling interests	(6,173)	-	n.m.
	125,596 <sup>(1)</sup>	5,654,314	(98)

\* Less than 1%

n.m. – not meaningful

**Note:-**

(1) Excluding the one-off IPO related expenses of RM3.99 million (“**IPO Expenses**”) in the financial year ended 31 December (“**FY**”) 2019, the profit after tax for the Group in FY2019 would have been RM4.12 million.

Excluding the IPO Expenses as well as expenses incurred by the ultimate holding company to maintain listing status on SGX (comprising Directors’ fees, audit fees, sponsorship and other compliance fees) of RM1.36 million in FY2019, the profit after tax generated purely from the Group’s operations of the theme parks in FY2019 would have been RM5.48 million, which constituted a marginal decrease of RM0.17 million year-on-year (“**yoy**”).

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**1(a)(ii) Notes to combined statements of comprehensive income**

**The Group's net profit was arrived after crediting/ (charging) the following:**

	<b>Group</b>		
	<b>FY2019</b>	<b>FY2018</b>	<b>Increase/ (Decrease)</b>
	<b>RM</b>	<b>RM</b>	<b>%</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	
Depreciation of plant and equipment	(2,366,730)	(2,438,522)	(3)
Depreciation of right-of-use ("ROU") assets <sup>(1)</sup>	(179,368)	-	n.m.
Finance costs <sup>(2)</sup>	(395,915)	(1,543,064)	(74)
Legal and professional fees <sup>(3)</sup>	(1,170,149)	(389,344)	201
Operating lease expenses <sup>(4)</sup>	-	(343,180)	(100)
Staff costs <sup>(5)</sup>	(5,696,242)	(3,364,619)	69
Other income	13,270	20,560	(35)
Share based payment for IPO consultancy expenses <sup>(6)</sup>	(1,328,829)	-	n.m.
Other IPO expenses <sup>(6)</sup>	(2,665,233)	-	n.m.
Under/(over) provision of deferred tax in prior financial year	69,961	(16,500)	n.m.
Under/(over) provision of income tax in prior financial year	(204,823)	29,509	n.m.
Deferred tax for the financial year <sup>(7)</sup>	(1,520,027)	(826,957)	84
Income tax for the financial year <sup>(7)</sup>	(220,800)	(1,303,200)	(83)
(Loss)/gain on disposal of plant and equipment	(227)	88	n.m.

n.m. – not meaningful

**Notes:**

- (1) Depreciation of ROU assets was due to the adoption of SFRS(I) 16 by the Group in FY2019.
- (2) The decrease in finance costs was mainly due to lower interest expense in respect of the redeemable convertible preference shares ("RCPS") as the RCPS were fully redeemed in March 2019.
- (3) The increase in legal and professional fees was mainly due to the additional costs (audit fees, sponsorship and other compliance fees) in respect of the holding company, in FY2019.
- (4) The operating lease expenses in FY2019 (FY2018: nil) was in respect of operating lease for land being taken up as depreciation for ROU asset and finance cost pursuant to the adoption of SFRS(I) 16 in FY2019.
- (5) The increase in staff costs was mainly due to additional headcount for the theme parks, and increase in the remuneration of the executive Directors and Directors' fees incurred for the independent Directors of the holding company.
- (6) IPO expenses comprise (i) share based payment for IPO consultancy expenses; and (ii) other IPO expenses. Such IPO expenses were incurred one-off in FY2019 in relation to the IPO of the Company on SGX.
- (7) The increase in deferred tax in FY2019 was due to asset capitalisation of ESCAPE Gravityplay amounting to RM12.32 million, while the decrease in income tax in FY2019 was consistent with the lower profit before taxation recorded for the current financial year.

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**1(b)(i) A statement of financial position (for the issuer and the group) together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	<b>Company</b>
	<b>As at 31 December 2019 RM</b>	<b>As at 31 December 2018 RM</b>	<b>As at 31 December 2019 RM</b>	<b>As at 31 December 2018 RM</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	59,849,538	48,677,020	-	-
Right of use assets	9,506,532	-	-	-
Investment in subsidiaries	-	-	46,441,008	30,112,569
Deferred tax assets	-	69,700	-	-
	<u>69,356,070</u>	<u>48,746,720</u>	<u>46,441,008</u>	<u>30,112,569</u>
<b>Current assets</b>				
Inventories	53,020	115,726	-	-
Trade and other receivables	1,152,577	1,130,659	71,540	-
Prepayments	998,145	3,074,675	85,435	285,670
Cash and bank balances	4,008,622	1,704,437	29,313	3,000
	<u>6,212,364</u>	<u>6,025,497</u>	<u>186,288</u>	<u>288,670</u>
<b>Total assets</b>	<u>75,568,434</u>	<u>54,772,217</u>	<u>46,627,296</u>	<u>30,401,239</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	46,292,679	30,115,569	46,292,679	30,115,569
Equity component of redeemable convertible preference shares	-	275,112	-	-
Merger reserve	(12,700,040)	(12,700,040)	-	-
Capital reserve	1,328,829	-	1,328,829	-
Retained earnings	16,160,466	16,028,697	(5,517,535)	(107,433)
<b>Equity attributable to owners of the parent</b>	51,081,934	33,719,338	42,103,973	30,008,136
Non-controlling interests	398,727	-	-	-
<b>Total equity</b>	<u>51,480,661</u>	<u>33,719,338</u>	<u>42,103,973</u>	<u>30,008,136</u>
<b>Non-current liabilities</b>				
Lease liabilities	9,369,661	29,257	-	-
Borrowings	5,800,105	-	-	-
Deferred tax liabilities	2,949,800	1,569,434	-	-
	<u>18,119,566</u>	<u>1,598,691</u>	<u>-</u>	<u>-</u>

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**1(b)(ii) Aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	<b>Company</b>
	<b>As at 31 December 2018</b>	<b>As at 31 December 2018</b>	<b>As at 31 December 2019</b>	<b>As at 31 December 2018</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Current liabilities</b>				
Trade and other payables	2,887,719	2,640,655	4,523,323	393,103
Lease liabilities	296,935	50,473	-	-
Borrowings	2,442,282	-	-	-
Liability component of redeemable convertible preference shares	-	15,928,192	-	-
Income tax payable	341,271	834,868	-	-
	<b>5,968,207</b>	<b>19,454,188</b>	<b>4,523,323</b>	<b>393,103</b>
<b>Total liabilities</b>	<b>24,087,773</b>	<b>21,052,879</b>	<b>4,523,323</b>	<b>393,103</b>
<b>Total equity and liabilities</b>	<b>75,568,434</b>	<b>54,772,217</b>	<b>46,627,296</b>	<b>30,401,239</b>

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**1(b)(ii) Aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

**Amount repayable in one year or less, or on demand**

<b>As at 31 December 2019 (RM)</b>		<b>As at 31 December 2018 (RM)</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
2,739,217	-	15,978,665	-

**Amount repayable after one year**

<b>As at 31 December 2019 (RM)</b>		<b>As at 31 December 2018 (RM)</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
15,169,766	-	29,257	-

**Details of any collateral**

As at 31 December 2019, the Group's borrowings comprised overdrafts, term loans and finance leases. As at 31 December 2018, the Group's borrowings comprised finance leases and RCPS.

The finance leases are secured by the leased assets (such as motor vehicle and kiosk) under finance lease arrangements and supported by personal guarantees from certain Directors of the Company.

The term loan is secured by a general debenture, corporate guarantees from the Company and its subsidiaries, as well as personal guarantee from a Director of the Company.

RCPS were secured by all the ordinary shares in the Company's wholly-owned subsidiary, Sim Leisure Escape Sdn. Bhd., under the investment agreement. The RCPS were fully redeemed in March 2019.

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**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.**

	<b>Group</b>	
	<b>FY2019</b>	<b>FY2018</b>
	<b>RM</b>	<b>RM</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>
<b>Operating activities</b>		
Profit before income tax	2,001,285	7,771,462
Adjustments for:		
Depreciation of plant and equipment	2,366,730	2,438,522
Depreciation of ROU assets	179,368	-
Property, plant and equipment written off	9,177	-
Loss/(gain) on disposal of plant and equipment	227	(88)
Share based payment for IPO consultancy expenses	1,328,829	-
Interest expense	395,915	1,543,064
Operating cash flows before working capital changes	6,281,531	11,752,960
Working capital changes:		
Inventories	62,706	24,699
Trade and other receivables	4,204	66,331
Prepayments	2,076,533	(2,056,131)
Trade and other payables	443,533	199,981
Cash generated from operations	8,868,507	9,987,840
Income tax paid	(945,344)	(553,239)
Net cash generated from operating activities	7,923,163	9,434,601
<b>Investing activities</b>		
Purchase of plant and equipment	(13,643,261)	(7,051,576)
Proceeds from disposal of plant and equipment	3,000	12,600
Net cash used in investing activities	(13,640,261)	(7,038,976)
<b>Financing activities</b>		
Proceeds from issuance of ordinary shares	16,582,010	3,000
Proceeds from borrowings	8,517,325	-
Repayment of redeemable convertible preference shares	(16,000,000)	-
Interest paid on redeemable convertible preference shares	(308,164)	(1,462,532)
Repayment of lease liabilities	(234,377)	(44,525)
Repayment of borrowings	(274,938)	-
Interest paid	(260,573)	(5,869)
Deposits pledged	(1,000,000)	-
Net cash generated from / (used in) financing activities	7,021,283	(1,509,926)

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	<b>Group</b>	
	<b>FY2019</b>	<b>FY2018</b>
	<b>RM</b>	<b>RM</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>
Net change in cash and bank balances	1,304,185	885,699
Cash and bank balances at beginning of financial year	1,704,437	818,738
Cash and bank balances at end of financial year	<u>3,008,622</u>	<u>1,704,437</u>
Cash and bank balances	4,008,622	1,704,437
Less: Deposits pledged	<span style="color: red;">(1,000,000)</span>	-
Cash and bank balances at end of financial year	<u>3,008,622</u>	<u>1,704,437</u>



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**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 distribution to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>Group</b>	<b>Share capital RM</b>	<b>Equity component of redeemable convertible preference shares RM</b>	<b>Non-controlling interests</b>	<b>Merger reserve RM</b>	<b>Capital reserve RM</b>	<b>Retained earnings RM</b>	<b>Total equity RM</b>
Balance as at 1 January 2019	30,115,569	275,112	-	(12,700,040)	-	16,028,697	33,719,338
<b>Total comprehensive income for the financial year</b>							
Profit for the financial year	-	-	(6,173)	-	-	131,769	125,596
<b>Contribution by owners</b>							
Issuance of new ordinary shares	-	-	404,900	-	-	-	404,900
Issuance of new shares pursuant to IPO	17,276,477	-	-	-	-	-	17,276,477
Share issue expenses	(1,455,767)	-	-	-	-	-	(1,455,767)
Share based payment expenses	356,400	-	-	-	-	-	356,400
Redemption of redeemable convertible preference shares	-	(275,112)	-	-	-	-	(275,112)
Payment of IPO consultancy expenses by shares	-	-	-	-	1,328,829	-	1,328,829
<b>Total transactions with owners</b>	16,177,110	(275,112)	404,900	-	1,328,829	-	17,635,727
Balance as at 31 December 2019	46,292,679	-	398,727	(12,700,040)	1,328,829	16,160,466	51,480,661

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	Share capital	Equity component of redeemable convertible preference shares	Merge reserve	Retained earnings	Total equity
<u>Group</u>	RM	RM	RM	RM	RM
Balance as at 1 January 2018	10,800,000	275,112	-	10,374,383	21,449,495
<b>Total comprehensive income for the financial year:</b>					
Profit for the financial year	-	-	-	5,654,314	5,654,314
<b>Contribution by owners</b>					
Issuance of subscriber's shares at date of incorporation of the Company	3,000	-	-	-	3,000
Deemed distribution to owners pursuant to the Restructuring Exercise	(10,800,000)	-	-	-	(10,800,000)
Issuance of ordinary shares pursuant to the Restructuring Exercise	30,112,569	-	(12,700,040)	-	17,412,529
<b>Total transactions with owners</b>	19,315,569	-	(12,700,040)	-	6,615,529
Balance as at 31 December 2018	30,115,569	275,112	(12,700,040)	16,028,697	33,719,338

	Share capital RM	Capital reserve RM	Accumulated losses RM	Total equity RM
<u>Company</u>				
Balance as at 1 January 2019	30,115,569	-	(107,433)	30,008,136
<b>Total comprehensive income for the financial year:</b>				
Loss for the financial year	-	-	(5,410,102)	(5,410,102)
<b>Contribution by owners</b>				
Issuance of new shares pursuant to IPO	17,276,477	-	-	17,276,477
Share issue expenses	(1,455,767)	-	-	(1,455,767)
Share based payment expenses	356,400	-	-	356,400
Payment of IPO consultancy expenses by shares	-	1,328,829	-	1,328,829
<b>Total transactions with owners</b>	16,177,110	1,328,819	-	17,505,929
Balance as at 31 December 2019	46,292,679	1,328,829	(5,517,535)	42,103,973

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<b><u>Company</u></b>	<b>Share capital RM</b>	<b>Retained earnings RM</b>	<b>Total equity RM</b>
Balance as at 8 March 2018 (being the date of incorporation of the Company)	-	-	-
<b>Total comprehensive income for the financial year:</b>			
Loss for the financial year	-	(107,433)	(107,433)
<b>Contribution by owners</b>			
Issuance of subscriber's shares at date of incorporation of the Company	3,000	-	3,000
Issuance of ordinary shares pursuant to the Restructuring Exercise	30,112,569	-	30,112,569
<b>Total transactions with owners</b>	30,115,569	-	30,115,569
Balance as at 31 December 2018	30,115,569	(107,433)	30,008,136

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**1d(ii) Details of any changes in the company's share capital arising from rights issues, bonus issues, subdivision, consolidation, share buy-backs, exercises of share options or warrants, conversion of other issues of equity securities, issues 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.**

	Number of shares	Issued and paid-up share capital (RM)
Balance as at 30 June 2019 and 31 December 2019	134,225,000	46,292,679

The Company did not have any outstanding convertibles, treasury shares or subsidiary holdings as at 31 December 2019 and 31 December 2018.

**1d(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year.**

	At 31 December 2019	At 31 December 2018
Total number of issued shares excluding treasury shares	134,225,000	21,457,000

The Company did not have any treasury shares as at 31 December 2019 and 31 December 2018.

**1d(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. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

**1d(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. The Company did not have any 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 auditors of the Company.

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**3. Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of matter).**

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2018 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

**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 Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting financial year compared with the audited financial statements for the financial year ended 31 December 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 new Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and interpretations effective for the financial period beginning 1 January 2019 as follows:

**SFRS(I) 16 Leases**

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognizes a right-of-use ("**ROU**") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard whereby lessors continue to classify leases as finance or operating lease.

The Group recognizes its existing operating lease arrangements where the Group is a lessee as ROU assets with corresponding lease liabilities and measure lease liabilities by applying a single discount rate to its portfolio of leases.

The Group applied the practical expedient to recognize amounts of ROU assets equal to its lease liabilities for the financial period and recognition exemptions for short-term leases and leases of low value items in accordance with the principles of SFRS(I) 16.

The nature of expenses related to those leases will change as the principles under SFRS (I)16 replaces the straight-line operating lease expense with depreciation charge for ROU assets, and interest expense on lease liabilities.

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The impact of the leases on the Group's financial statements for the financial period arising from the adoption of the principles of SFRS(I) 16 is as follows:

	<b>Group 31 December 2019 RM'000</b>
Increase in ROU assets	9,507
Increase in lease liabilities	9,667

### SFRS(I) 15 – Revenue from Contracts with Customers

The Group wishes to announce that a prior year adjustment of RM398k in relation to understatement of deferred income and overstatement of revenue was made to the financial statements for the financial year ended 31 December 2018 ("FY2018"). There was no material impact to the Corporate Income tax for FY2018 due to the adjustments.

### **6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>FY2019 (Unaudited)</b>	<b>FY2018 (Restated)</b>
Profit attributable to owners of the parent (RM)	131,769	5,654,314
Basic and diluted earnings per share (RM cents)	0.10	5.27
Weighted average number of ordinary shares used in the computation of basic and diluted earnings per share	129,755,833	107,285,000

The calculations of basic earnings per share for the relevant financial years are based on the profit attributable to owners of the parent for FY2019 and FY2018, respectively, divided by the weighted average number of ordinary shares in the relevant financial years. For comparative and illustrative purposes, the weighted average number of ordinary shares for FY2019 and FY2018 was based on the total number of ordinary shares in issue of 129,755,833 shares and 107,285,000 shares respectively, of which the FY2018 shares had been retrospectively adjusted to reflect (i) the issuance of 21,456,000 new shares pursuant to the Restructuring Exercise; and (ii) the share split exercise, assuming such transactions occurred at the beginning of FY2018. The diluted earnings per share for the relevant financial periods are the same as the basic earnings per share as the Group does not have any dilutive instruments.

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**7. Net asset value (for 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 financial period reported on; and (b) immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<b>As at 31 December 2019</b>	<b>As at 31 December 2018</b>	<b>As at 31 December 2019</b>	<b>As at 31 December 2018</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Net asset value (“NAV”) (RM)	51,081,934	33,719,338	42,103,973	30,008,136
Number of ordinary shares in issue <sup>(1)</sup>	134,225,000	107,285,000	134,225,000	107,285,000
NAV per ordinary share (RM cents)	38.06	31.43	31.37	27.97

**Note:**

(1) The number of ordinary shares in issue used in the computation of NAV per ordinary share as at 31 December 2018 has been retrospectively adjusted to reflect (i) the issuance of 21,456,000 new shares pursuant to the Restructuring Exercise; (ii) the share split exercise, assuming such transactions occurred as at 31 December 2018.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. It must include a discussion of the following:**

**(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**

### **Revenue**

The Group recorded a 8% yoy increase in revenue to RM13.38 million for the second half of FY2019 (“**H2 2019**”). The growth in revenue was supported by the opening of the Guinness World Record’s longest inner tube water slide measuring 1,111 metres and ESCAPE Gravityplay, the third of the Group’s ESCAPE series of theme parks in Penang on 22 November 2019.

For FY2019, the Group reported a 5% yoy increase in revenue to RM21.86 million.

	<b>H2 2019</b>	<b>H2 2018</b>	<b>Change %</b>	<b>FY2019</b>	<b>FY2018</b>	<b>Change %</b>
<b>Revenue</b>	13,382,635	12,372,356	8	21,859,616	20,820,571	5

### **Cost of sales**

Cost of sales remained stable with marginal increase of RM0.01 million, from RM8.72 million for FY2018 to RM8.73 million for FY2019. This was consistent with the Group’s continuous effort to maintain the low maintenance costs of the theme park business.

## **UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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### **Gross profit**

As a result of the above, gross profit increased by 8% yoy or RM1.03 million, from RM12.10 million for FY2018 to RM13.13 million for FY2019. Correspondingly, gross profit margin improved from 58.1% for FY2018 to 60.0% for FY2019.

### **Other income**

Other income decreased slightly by RM0.01 million, from RM0.02 million for FY2018 to RM0.01 million for FY2019.

### **Administrative expenses**

Administrative expenses increased by 141% yoy or RM3.94 million, from RM2.81 million for FY2018 to RM6.75 million for FY2019. The increase was mainly due to the (i) increase in legal and professional fees of RM0.78 million; (ii) increase in the remuneration of the executive Directors and Directors' fees incurred for the independent Directors of the holding company of RM0.68 million; (iii) increase in administrative staff cost for the Group of RM1.36 million due to higher bonus expenses and additional headcount in FY2019; and (iv) increase in advertising expenses of RM0.37 million.

### **Finance costs**

Finance costs decreased by 74% yoy or RM1.15 million, from RM1.54 million for FY2018 to RM0.39 million for FY2019. The decrease in finance costs was mainly due to lower interest expenses in respect of the RCPS, which were fully redeemed in March 2019.

### **Profit from operations before income tax**

As a result of the above, the Group recorded a profit from operations before income tax of RM6.00 million for FY2019, as compared to a profit from operations before income tax of RM7.77 million for FY2018.

### **IPO expenses**

The Group expensed off RM3.99 million in IPO related expenses for FY2019.

### **Profit for the year**

The Group recorded a profit after tax of RM0.13 million for FY2019, as compared to a profit after tax of RM5.65 million in FY2018. Excluding one-off IPO related expenses of RM3.99 million, the Group would have made a profit after tax of RM4.12 million in FY2019.

Comparing the operational performance of the theme parks for FY2019 and FY2018, excluding the one-off IPO related expenses of RM3.99 million and the expenses incurred by the ultimate holding company to maintain listing status on SGX (comprising Directors' fees, audit fees, sponsorship and other compliance fees) of RM1.36 million in FY2019, the Group would have recorded a profit after tax generated purely from its operations of the theme parks of RM5.48 million in FY2019, as compared to RM5.65 million in FY2018, which constituted a marginal decrease of RM0.17 million yoy.

## **REVIEW OF THE GROUP'S FINANCIAL POSITION**

### **Non-current assets**

Non-current assets, which comprise plant and equipment, ROU assets and deferred tax assets, increased by 42% yoy or RM20.61 million, from RM48.75 million as at 31 December 2018 to RM69.36 million as at



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31 December 2019. The increase was mainly due to the capitalization of assets of ESCAPE Gravityplay amounting to RM12.32 million and the recognition of ROU assets for leases amounting to RM9.51 million.

### **Current assets**

Current assets increased by 3% yoy or RM0.19 million, from RM6.02 million as at 31 December 2018 to RM6.21 million as at 31 December 2019. This was mainly due to an increase in cash and cash equivalents of RM2.30 million, partially offset by a decrease in (i) prepayments of RM2.08 million mainly from prepaid listing expenses charged out during the financial year; and (ii) inventories of RM0.63 million mainly due to higher food and beverage sales towards end of FY2019. Please refer to the section entitled “Review of the Group’s Cash Flow” below for information on the increase in cash and cash equivalents.

### **Equity**

Equity increased by 53% yoy or RM17.76 million, from RM33.72 million as at 31 December 2018 to RM51.48 million as at 31 December 2019. The increase was due to (i) new shares issued in relation to the IPO of RM16.18 million; (ii) RM1.33 million to capital reserve as recognition of share based payment for IPO expenses; and (iii) a marginal increase in retained earnings of RM0.13 million due to the net profit recorded for FY2019, partially offset by the repayment of RCPS of RM3.06 million.

### **Non-current liabilities**

Non-current liabilities increased by 1,033% yoy or RM16.52 million, from RM1.60 million as at 31 December 2018 to RM18.12 million as at 31 December 2019. This was due to (i) increase in lease liabilities of RM9.34 million in relation to ROU assets; (ii) increase in the non-current portion of a loan obtained in FY2019 amounting to RM5.80 million; and (iii) increase in deferred tax liabilities of RM1.38 million due to asset capitalisation of ESCAPE Gravityplay amounting to RM12.32 million.

### **Current liabilities**

Current liabilities decreased by 69% yoy or RM13.49 million, from RM19.45 million as at 31 December 2018 to RM5.96 million as at 31 December 2019. This was mainly due to the full redemption of RCPS of RM15.93 million, partially offset by an increase in the current portion of a loan obtained in FY2019 of RM2.44 million. The RCPS was fully redeemed and any dividends accrued on the RCPS was fully repaid on 4 March 2019. Please refer to the Company’s announcement on 5 March 2019 for further information on the redemption. In addition to the above, (i) lease liabilities increased by RM0.25 million in FY2019 due to the adoption of SFRS(I) 16 Leases in FY2019; and (ii) current income tax payable increased by RM0.49 million in FY2019 due to increase in taxable income in the year.

### **Working Capital Position**

The working capital of the Group improved to a positive working capital position of RM0.24 million as at 31 December 2019, as compared to a negative working capital position of RM13.4 million as at 31 December 2018.

## **REVIEW OF THE GROUP’S CASH FLOW**

Net cash generated from operating activities for FY2019 was RM7.92 million, due to operating cash flows before changes in working capital of RM6.28 million, changes in working capital of RM2.59 million and income tax paid of RM0.95 million. Changes in working capital were due to the (i) decrease in inventories of RM0.06 million; (ii) increase in trade and other receivables of RM0.01 million; (iii) decrease in prepayments of RM2.08 million mainly from prepaid listing expenses charged out; and (iv) increase in trade and other payables of RM0.44 million.

## UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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Net cash used in investing activities for FY2019 of RM13.64 million was mainly due to the purchase of plant and equipment in relation to the construction of ESCAPE Gravityplay.

Net cash generated from financing activities for FY2019 of RM7.02 million was mainly from the net proceeds from the issuance of new ordinary shares for the IPO of RM16.58 million and proceeds from a term loan of RM8.52 million, partially offset by (i) repayment of RCPS of RM16.00 million; (ii) payment of interest incurred on RCPS of RM0.31 million; (iii) deposits pledged of RM1.0 million; (iv) repayments of term loan and lease liabilities of RM0.51 million; and (v) interest paid of RM0.26 million.

As a result of the above, cash and bank balances increased by RM1.30 million, from RM1.70 million as at 1 January 2019 to RM3.00 million as at 31 December 2019.

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

The unaudited financial results for FY2019 set out in this announcement are in line with the trend information disclosed in the section entitled “General Information on our Group – Trend Information” of the Offer Document.

### **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.**

The Group launched the Guinness World Record’s longest inner tube water slide along with ESCAPE Gravityplay, the third of the ESCAPE series of theme parks in Penang, Malaysia on 22 November 2019.

On 30 August 2019, the Group signed an agreement with Jelas Puri Sdn Bhd, a subsidiary of Bursa Malaysia listed WCT Holdings Bhd, to build and operate ESCAPE Challenge, an indoor recreational centre at Paradigm Mall in Petaling Jaya, Malaysia. Construction of ESCAPE Challenge has commenced while the official launch of this indoor recreational centre is expected to be scheduled for March or April 2020.

On 4 February 2020, the Group signed a non-binding memorandum of understanding with Sri Lankan listed Elpitiya Plantations PLC which will bring its ESCAPE theme parks to Sri Lanka. Elpitiya Plantations PLC is an associated company of Sri Lankan listed blue chip conglomerate Aitken Spence PLC. Pending signing of the definitive agreement for the aforesaid, the Group targets to commence construction of the ESCAPE theme parks in Sri Lanka in March 2020.

While remaining cautiously optimistic of its outlook, the Group continues to monitor the outbreak of COVID-19 which has caused major disruptions across the global supply chains and has dampened economic growth prospects across the globe. The extent of any potential financial impact is difficult to ascertain as the situation continues to evolve.

The Group will also focus its efforts on (i) expanding the ESCAPE theme parks locally, regionally and in China; and (ii) exploring suitable acquisitions, strategic alliances and/or joint ventures which will grant the Group access to new markets, new customers as well as new business opportunities.

In addition, the Group reviews strategic options on an ongoing basis and, in connection with this, may from time to time, hold discussions with a range of parties regarding possible fundraising exercises to fund the working capital and growth of the Group going forward. However, there is no assurance that any transaction will materialise from the aforementioned.

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
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**11. Dividend**

**(a) Any dividend recommended/declared for the current financial period reported on?**

The Board of Directors is pleased to recommend a one-tier tax exempt special dividend of RM0.03 per ordinary share in respect of FY2019 (FY2018: nil) for approval by the Company's shareholders at the upcoming annual general meeting of the Company to be convened in due course.

	<b>FY2019</b>
Name of Dividend	<b>Special</b>
Dividend Type	<b>Cash</b>
Dividend Amount	<b>RM0.03 per ordinary share</b>
Tax Rate	<b>One-tier tax exempt</b>

**(b) Any dividend recommended/declared for the corresponding period of the immediately preceding financial year?**

Nil.

**(c) Date payable**

Subject to approval by the Company's shareholders at the upcoming annual general meeting of the Company to be convened in due course, and to be announced at a later date.

**(d) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

Subject to approval by the Company's shareholders at the upcoming annual general meeting of the Company to be convened in due course, and to be announced at a later date.

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

Not applicable.

**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.**

No general mandate for IPT has been obtained from the Company's shareholders.

**14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its Directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

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**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**15. Segmental revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**Business segments**

Not applicable. Management monitors the operating results of the segment separately for the purposes of making decisions about resources to be allocated and of assessing performance. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss.

The Group has only one primary business segment, which is that of theme park operations and events. Revenue from theme park operations and events is derived from ticketing, food and beverages, merchandising sales and locker sales from operating theme parks in Malaysia. The Group also provides team building events in the theme parks.

**Geographical information**

Not applicable. The Group's revenue and assets are mainly derived from Malaysia. Accordingly, no geographical segment information is presented during these financial years.

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Not applicable. The Group has only one primary business segment in Malaysia.

**17. A breakdown of sales as follows:**

<b>Group</b>	<b>FY2019 RM</b>	<b>FY2018 RM</b>	<b>Increase/(Decrease) %</b>
(a) Sales reported for first half of the financial year	8,526,560	8,448,215	1
(b) Operating (loss)/profit after tax before deducting non-controlling interests reported for first half of the financial year	(2,791,282)	2,047,545	n.m.
(c) Sales reported for second half of the financial year	13,333,056	12,372,356	8
(d) Operating profit after tax before deducting non-controlling interests reported for second half of the financial year	2,916,878	3,606,769	(19)

n.m. – not meaningful

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**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	<b>FY2019</b>	<b>FY2018</b>
	<b>RM</b>	<b>RM</b>
Ordinary	4,026,750	-
Preference	-	-
<b>Total:</b>	<b>4,026,750</b>	<b>-</b>

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

There are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a Director or chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

**Sim Choo Kheng**  
Executive Director and Chief Executive Officer

**Silviya Georgieva Georgieva**  
Executive Director

**28 February 2020**