

**Sim Leisure Group Ltd.**  
(Company Registration Number: 201808096D)  
(Incorporated in the Republic of Singapore)

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
HALF YEAR ENDED 30 JUNE 2020**

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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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**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
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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>1HFY2020</b>	<b>1HFY2019</b>	<b>Increase/ (Decrease)</b>
	<b>RM</b>	<b>RM</b>	<b>%</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
<b>Revenue</b>	4,285,171	8,526,560	(50)
Cost of sales	(3,360,862)	(4,077,298)	(18)
<b>Gross profit</b>	924,309	4,449,262	(79)
Other income	160,566	1,050	> 1,000
Administrative expenses	(3,467,741)	(2,735,017)	27
Finance costs	(179,035)	(84,544)	112
<b>(Loss)/Profit from operations before income tax</b>	(2,561,901)	1,630,751	n.m.
IPO expenses	-	(3,994,062)	(100)
<b>Loss before income tax</b>	(2,561,901)	(2,363,311)	8
Income tax expense	-	(427,971)	(100)
<b>Loss for the financial period, representing total comprehensive loss for the financial period</b>	(2,561,901)	(2,791,282)	(8)
Loss and total comprehensive loss, attributable to:			
- Owners of the parent	(2,535,587)	(2,791,282)	(9)
- Non-controlling interests	(26,314)	-	n.m.
<b>Loss for the financial period, representing total comprehensive loss for the financial period</b>	(2,561,901)	(2,791,282)	(8)

n.m. – not meaningful

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**1(a)(ii) Notes to consolidated statement of comprehensive income**

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

	Group		
	1HFY2020	1HFY2019	Increase / (Decrease)
	RM	RM	%
	(Unaudited)	(Unaudited)	
Depreciation of plant and equipment <sup>(1)</sup>	(1,383,653)	(1,231,646)	12
Depreciation of right-of-use ("ROU") assets	(115,337)	(110,301)	5
Finance costs	(179,035)	(84,544)	112
Legal and professional fees	(430,456)	(478,783)	(10)
Lease expenses	(129,052)	(57,510)	124
Staff costs	(2,334,705)	(2,686,798)	(13)
Other income <sup>(2)</sup>	40,566	1,277	> 1,000
Staff credit <sup>(3)</sup>	120,000	-	n.m.
Loss on disposal of plant and equipment	-	(227)	(100)
Share based payment for IPO	-	(1,328,829)	(100)
Other IPO expenses	-	(2,665,233)	(100)
Realised foreign exchange (loss)/gain <sup>(4)</sup>	(88,136)	7,167	n.m.
Unrealised foreign exchange gain <sup>(5)</sup>	7,986	-	n.m.

n.m. – not meaningful

**Notes:**

- (1) Depreciation of plant and equipment increased mainly due to additional depreciation charges upon the completion of GravityPlay project since November 2019, and upgrading works to theme park assets during 1HFY2020.
- (2) Other income increased mainly due to marketing sponsorship funds received from suppliers.
- (3) Staff credit (included in other income) was received from the Malaysian Government's wage subsidy program to relief staff cost burden on companies during the COVID-19 lockdown period in 1HFY2020.
- (4) Realised foreign exchange loss increased mainly due to payment of dividend of approximately RM4.0 million and purchase of theme park assets and equipment in 1HFY2020.
- (5) Unrealised foreign exchange gain recorded in 1HFY2020 (1HFY2019: Nil) relates to unrealised conversion balances of foreign currency bank accounts and outstanding foreign currency supplier invoices in 1HFY2020.

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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>30-Jun-20</b>	<b>31-Dec-19</b>	<b>30-Jun-20</b>	<b>31-Dec-19</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	63,112,275	59,848,216	-	-
Right-of-use assets	9,420,909	9,613,234	-	-
Investment in subsidiaries	-	-	46,441,008	46,441,008
	72,533,184	69,461,450	46,441,008	46,441,008
<b>Current assets</b>				
Inventories	37,987	53,020	-	-
Trade and other receivables	1,404,285	1,152,178	113,219	71,540
Prepayments	393,589	998,142	57,002	85,435
Cash and bank balances	7,524,391	3,008,622	5,572,917	29,312
Short term deposits	1,000,000	1,000,000	-	-
	10,360,252	6,211,962	5,743,138	186,287
<b>Total assets</b>	<b>82,893,436</b>	<b>75,673,412</b>	<b>52,184,146</b>	<b>46,627,295</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	55,360,320	46,292,679	55,360,320	46,292,679
Merger reserve	(12,700,040)	(12,700,040)	-	-
Capital reserve	1,328,829	1,328,829	1,328,829	1,328,829
Retained earnings/ (Accumulated losses)	9,712,503	16,274,840	(10,759,430)	(5,517,535)
Equity attributable to owners of the parent	53,701,612	51,196,308	45,929,719	42,103,973
Non-controlling interests	386,271	395,685	-	-
<b>Total equity</b>	<b>54,087,883</b>	<b>51,591,993</b>	<b>45,929,719</b>	<b>42,103,973</b>
<b>Non-current liabilities</b>				
Lease liabilities	9,494,017	9,369,661	-	-
Borrowings	8,981,358	5,800,105	-	-
Deferred tax liabilities	2,949,800	2,949,800	-	-
	21,425,175	18,119,566	-	-

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**Current liabilities**

Trade and other payables	3,633,443	2,892,617	6,254,427	4,523,322
Lease liabilities	300,890	296,935	-	-
Borrowings	3,235,934	2,442,282	-	-
Current income tax payable	210,111	330,019	-	-
	<u>7,380,378</u>	<u>5,961,853</u>	<u>6,254,427</u>	<u>4,523,322</u>

**Total liabilities**

<u>28,805,553</u>	<u>24,081,419</u>	<u>6,254,427</u>	<u>4,523,322</u>
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**Total equity and liabilities**

<u>82,893,436</u>	<u>75,673,412</u>	<u>52,184,146</u>	<u>46,627,295</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.**

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

<b>As at 30 June 2020 (RM)</b>		<b>As at 31 December 2019 (RM)</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
3,336,824	200,000	2,739,217	-

**Amount repayable after one year**

<b>As at 30 June 2020 (RM)</b>		<b>As at 31 December 2019 (RM)</b>	
<b>Secured</b>	<b>Unsecured</b>	<b>Secured</b>	<b>Unsecured</b>
17,675,375	800,000	15,169,766	-

**Details of any collateral**

As at 30 June 2020 and 31 December 2019, the Group's borrowings comprised overdrafts, term loans and finance leases.

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 loans are secured by a general debenture, corporate guarantees from the Company and its subsidiaries, personal guarantee from a certain Director of the Company, and pledged fixed deposit.

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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>1HFY2020</b>	<b>1HFY2019</b>
	<b>RM</b>	<b>RM</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Operating activities</b>		
Loss before income tax	(2,561,901)	(2,363,311)
Adjustments for:		
Depreciation of plant and equipment	1,383,653	1,231,646
Depreciation of ROU assets	115,337	110,301
Loss on disposal of plant and equipment	-	227
Share based payment – IPO consultancy expenses	-	1,328,829
Interest expense	179,035	84,544
Interest income	(2,779)	-
Unrealised foreign exchange gain	(7,986)	-
Operating cash flows before working capital changes	(894,641)	392,236
Working capital changes:		
Inventories	15,033	85,555
Trade and other receivables	(252,107)	(679,245)
Prepayments	604,553	2,452,774
Trade and other payables	740,828	(396,312)
Cash generated from operations	213,666	1,855,008
Income tax paid	(214,887)	(339,163)
Net cash (used in)/from operating activities	(1,221)	1,515,845
<b>Investing activities</b>		
Purchase of plant and equipment	(4,570,724)	(5,581,322)
Proceeds from disposal of plant and equipment	-	3,000
Net cash used in investing activities	(4,570,724)	(5,578,322)
<b>Financing activities</b>		
Proceeds from issuance of ordinary shares pursuant to placement	9,067,641	17,276,477
Share issue expenses	-	(1,099,367)
Proceeds from borrowings	4,501,007	5,937,161
Repayment of redeemable convertible preference shares	-	(16,000,000)
Interest paid on redeemable convertible preference shares	-	(308,164)

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Proceeds / (Repayment) of finance lease obligations / lease liabilities	250,615	(178,306)
Dividends paid	(4,026,750)	-
Repayment of borrowings	(528,543)	(249,361)
Interest paid	(179,035)	(2,976)
Interest received	2,779	-
Deposits pledged	-	(476,481)
Net cash from financing activities	<u>9,087,714</u>	<u>4,898,983</u>
Net change in cash and bank balances	4,515,769	836,506
Cash and bank balances at beginning of financial period	3,008,622	1,704,437
Cash and bank balances at end of financial period	<u>7,524,391</u>	<u>2,540,943</u>
Cash and bank balances	7,524,391	3,017,424
Less: Deposits pledged	-	(476,481)
Cash and bank balances at end of financial period	<u>7,524,391</u>	<u>2,540,943</u>



# UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2020

**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.**

	Share capital	Equity component of redeemable convertible preference shares	Merger reserve	Capital reserve	Retained earnings attributable to owners of the parent	Retained earnings attributable to non-controlling interests	Total equity
Group	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2020 (audited)	46,292,679	-	(12,700,040)	1,328,829	16,274,840	395,685	51,591,993
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	-	(2,535,587)	(26,314)	(2,561,901)
Issuance of new shares pursuant to private placement	9,067,641	-	-	-	-	16,900	9,084,541
Dividend paid	-	-	-	-	(4,026,750)	-	(4,026,750)
Balance as at 30 June 2020 (unaudited)	55,360,320	-	(12,700,040)	1,328,829	9,712,503	386,271	54,087,883

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	Share capital	Equity component of redeemable convertible preference shares	Merger reserve	Capital reserve	Retained earnings attributable to owners of the parent	Retained earnings attributable to non-controlling interests	Total equity
Group	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2019 (audited)	30,115,569	275,112	(12,700,040)	-	16,426,307	-	34,116,948
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	-	(2,791,282)	-	(2,791,282)
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
Balance as at 30 June 2019 (unaudited)	46,292,679	-	(12,700,040)	1,328,829	13,635,025	-	48,556,493

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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.**

	Share capital	Capital reserve	Accumulated losses	Total equity
<u>Company</u>	RM	RM	RM	RM
Balance as at 1 January 2020 (audited)	46,292,679	1,328,829	(5,517,535)	42,103,973
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(1,215,145)	(1,215,145)
Issuance of new shares pursuant to private placement	9,067,641	-	-	9,067,641
Dividend paid	-	-	(4,026,750)	(4,026,750)
Balance as at 30 June 2020 (unaudited)	55,360,320	1,328,829	(10,759,430)	45,929,719

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	Share capital	Capital reserve	Accumulated losses	Total equity
<u>Company</u>	RM	RM	RM	RM
Balance as at 1 January 2019 (audited)	30,115,569	-	(107,433)	30,008,136
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(4,724,838)	(4,724,838)
Issuance of new shares pursuant to initial public offering exercise	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
Balance as at 30 June 2019 (unaudited)	46,292,679	1,328,829	(4,832,271)	42,789,237

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**1(d)(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 1 January 2020	134,225,000	46,292,679
Issuance of new shares on 26 May 2020 pursuant to placement	13,422,500	9,067,641
Balance as at 30 June 2020	147,647,500	55,360,320

The Company did not have any outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2020 and 30 June 2019.

**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 30 June 2020	At 31 December 2019
Total number of issued shares excluding treasury shares	147,647,500	134,225,000

The Company did not have any treasury shares as at 30 June 2020 and 31 December 2019.

**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.

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**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.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualification 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 2019 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.**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period reported on, as compared with the Company's most recently audited financial statements for the financial year ended 31 December 2019.

**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 all mandatory accounting standards, amendments and interpretations that are relevant to the Group, and which are effective for the accounting period beginning or after 1 January 2020. The adoption of these accounting standards, amendments and interpretations did not have any material effect on the financial performance or position of the Group.

**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>1HFY2020 (Unaudited)</b>	<b>1HFY2019 (Unaudited)</b>
Loss attributable to owners of the parent (RM)	(2,535,587)	(2,791,282)
Basic and diluted loss per share (RM cents)	(1.85)	(2.23)
Weighted average number of ordinary shares used in the computation of basic and diluted loss per share	136,880,000	125,443,543

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The calculations of basic loss per share for the relevant financial periods are based on the loss attributable to owners of the parent for 1HFY2020 and 1HFY2019 divided by the weighted average number of ordinary shares in the relevant financial periods.

In 1HFY2020 and 1HFY2019, the Company did not have any dilutive instruments. Hence, the basic and fully diluted loss per share in both financial periods under review are the same.

**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.**

	Group		Company	
	As at 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Net asset value (“NAV”) (RM)	53,701,612	51,196,308	45,929,719	42,103,973
Number of ordinary shares in issue	147,647,500	134,225,000	147,647,500	134,225,000
NAV per ordinary share (RM cents)	36.37	38.14	31.11	31.37

**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

Revenue dropped by 50%, from RM 8.53 million in 1HFY2019 to RM 4.29 million in 1HFY2020, due to the initial drop in attendance as a result of the COVID-19 pandemic and the subsequent closure of the theme park from mid-March 2020 to end of June 2020 as part of the Movement Control Order imposed by the Malaysian Government.

#### Cost of sales

Cost of sales decreased by 18%, from RM 4.08 million in 1HFY2019 to RM 3.36 million in 1HFY2020, mainly due to lower staff costs and lower purchases of food and beverages, and merchandise items for visitors’ consumption due to the closure of the theme park as explained above.

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### **Gross profit**

As a result of the sharp drop in revenue, gross profit declined 79%, from RM 4.45 million in 1HFY2019 to RM 0.92 million in 1HFY2020. Correspondingly, gross profit margin decreased from 52.2% in 1HFY2019 to 21.6% in 1HFY2020, mainly due to certain costs being fixed in nature and could not be covered by the lower revenue in 1HFY2020.

### **Other income**

Other income increased from RM 1,050 in 1HFY2019 to RM 0.16 million in 1HFY2020, due to staff credit of RM0.12 million received as part of the Malaysian Government's wage subsidy program to relief staff cost burden on companies during the COVID-19 pandemic, and marketing sponsorship funds received from suppliers, in 1HFY2020.

### **Administrative expenses**

Administrative expenses increased by 27%, from RM 2.74 million in 1HFY2019 to RM 3.47 million in 1HFY2020, mainly due to additional expenses incurred to hold AGM online Covid-19 lockdown period, together with Executive Directors are drawing salary in 1HFY2020 but none in 1HFY2019, and partially offset against lower staff costs incurred during the closure of the theme park from mid-March 2020 to end of June 2020.

### **Finance costs**

Finance costs increased from RM 0.08 million in 1HFY2019 to RM 0.18 million in 1HFY2020, due mainly to the higher interest expense incurred from additional bank borrowings in 1HFY2020.

### **IPO expenses**

The Company was listed on Catalist on 1 March 2019, and the Group incurred a one-off IPO expense of RM 3.99 million in 1HFY2019. There was no such expense in 1HFY2020.

### **Loss before income tax**

As a result of the above, loss before income tax increased from RM 2.36 million in 1HFY2019 to RM 2.56 million in 1HFY2020.

### **Loss for the period**

Loss after tax for the Group decreased from RM 2.79 million in 1HFY2019 to RM 2.56 million in 1HFY2020. There was tax expense in 1HFY2019 in view that the Group recorded a profit from operations (excluding IPO expenses), whereas in 1HFY2020, the Group incurred a loss from operations, and hence tax expense was absent.

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

### **Non-current assets**

The Group's non-current assets, which comprised plant and equipment, and ROU assets, increased by RM 3.07 million, from RM 69.46 million as at 31 December 2019 to RM 72.53 million as at 30 June 2020. The increase was mainly due to the increase in plant and equipment as a result of construction-in-progress assets for ESCAPE Challenge, partially offset by the depreciation charges incurred in 1HFY2020. The



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aforesaid increase was partially offset by a decrease in ROU assets mainly due to depreciation charges for ROU assets incurred in 1HFY2020.

### **Current assets**

The Group's current assets increased by RM 4.15 million, from RM 6.21 million as at 31 December 2019 to RM 10.36 million as at 30 June 2020. This was attributed mainly to (i) the increase in cash and bank balances of RM 4.51 million, from RM 3.01 million to RM 7.52 million due to the issuance of new shares by the Company via a private placement in May 2020, and (ii) the increase in trade and other receivables of RM 0.25 million mainly due to monthly tax installments paid to Malaysian Inland Revenue Board. The increase was partially offset by the decrease in prepayments of RM 0.60 million mainly due to charging out of prepaid expenses for 1HFY2020.

### **Equity attributable to owners of the parent**

The Group's equity attributable to owners of the parent increased by RM 2.50 million, from RM 51.20 million as at 31 December 2019 to RM 53.70 million as at 30 June 2020. The increase was due to the issuance of new shares by the Company via a private placement, partially offset by the payment of dividends declared for the financial year ended 31 December 2019 and the loss recorded for the period of 1HFY2020.

### **Non-current liabilities**

The Group's non-current liabilities increased by RM 3.31 million, from RM 18.12 million as at 31 December 2019 to RM 21.43 million as at 30 June 2020. The increase was mainly due to an increase in borrowings of RM 3.18 million due to drawdown of loans under the temporary bridging loan scheme and temporary deferment of loan repayment instalment until the end of 2020. The credit relief measures are announced at Solidarity Budget 2020. This was partially offset by increase in lease liabilities, non-current.

### **Current liabilities**

The Group's current liabilities increased by RM 1.42 million, from RM 5.96 million as at 31 December 2019 to RM 7.38 million as at 30 June 2020. This was mainly due to (i) increase in trade and other payables of RM 0.74 million due to purchase of additional construction-in-progress assets for ESCAPE Challenge; and (ii) additional borrowings obtained in 1HFY2020, partially offset by a decrease in current income tax payable of RM 0.12 million.

### **Working Capital Position**

The Group recorded a positive working capital of RM 2.98 million as at 30 June 2020, as compared to RM 0.25 million as at 31 December 2019.

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

Net cash used in operating activities in 1HFY2020 was RM 1,221, due mainly to operating cash flow before changes in working capital of negative RM 0.89 million, and changes in working capital of RM 1.11 million and income tax paid of RM 0.21 million. Changes in working capital were mainly due to (i) increase in trade and other receivables of RM 0.25 million; (ii) decrease in prepayments of RM 0.60 million due to capitalisation of assets paid in advance and charge out of prepaid expenses in 1HFY2020; and (iii) increase in trade and other payables of RM 0.74 million.

Net cash used in investing activities in 1HFY2020 of RM 4.57 million was due to the purchase of plant and equipment in relation to the construction of ESCAPE Challenge and upgrading of existing theme park attractions.

## **UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2020**

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Net cash from financing activities in 1HFY2020 of RM 9.09 million was generated mainly from (i) proceeds from issuance of new shares by the Company via a private placement of RM 9.07 million; (ii) proceeds from term loan of RM 4.50 million; and (iii) proceeds from finance lease of RM 0.25 million, partially offset by (i) dividends paid of RM 4.03 million; (ii) payment of loan interest of RM 0.18 million; and (iii) repayment of term loan of RM 0.53 million.

As a result of the above, net cash and bank balances increased by RM 4.52 million, from RM 3.00 million as at 31 December 2019 to RM 7.52 million as at 30 June 2020.

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

Not applicable. No forecast has 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.**

The biggest challenge to the Group came in February 2020 after Chinese New Year due to the COVID-19 pandemic, which resulted in a down trend in attendance and subsequently a closure of the Group's theme park since 18 March 2020 as part of the Movement Control Order imposed by the Malaysia Government. To date, the Group's theme park is fully operational as the Waterplay section was only opened to visitors in the first week of July 2020. Barring unforeseen circumstances, the Group's revenue should improve in the next six months due to the seasonal nature of our business which sees higher demand in the fourth quarter of the year due to the school holidays.

Barring unforeseen circumstances, our ESCAPE Challenge indoor recreation park in Paradigm Mall is expected to be operational before end August 2020. The Group also expects some additional revenue contribution from its newly incorporated 60%-owned subsidiary, Sim Leisure Creative, in the second half of the year. The Group continues with the execution of the joint venture project in Sri Lanka and will explore the expansion in China, amongst other business opportunities that arise.

**11. Dividend**

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

Nil.

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

Nil.

**(c) Date payable**

Not applicable.

**(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**

Not applicable.

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
HALF YEAR ENDED 30 JUNE 2020**

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

No dividend has been declared or recommended for 1HFY2020 as the board of directors of the Company deems it appropriate to conserve cash for the Group's business operations and growth.

**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.

**15. Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules.**

The Board of Directors of the Company confirm that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the half year ended 30 June 2020 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

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

**Silviya Georgieva Georgieva**  
Executive Director

**14 August 2020**