



Sim Leisure Group Ltd.
(Incorporated in the Republic of Singapore)
(Company Registration No: 201808096D)

SIM LEISURE GROUP LTD. AND ITS SUBSIDIARIES

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2022

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange"), and the Exchange 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.

The contact person for the Sponsor is Ms Jennifer Tan, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318 and sponsorship@ppcf.com.sg.



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**SIM LEISURE GROUP LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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A. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		As at 31 Dec 2022	As at 31 Dec 2021	As at 31 Dec 2022	As at 31 Dec 2021
		RM (Unaudited)	RM (Audited)	RM (Unaudited)	RM (Audited)
ASSETS					
Non-current assets					
Property, plant and equipment	4	80,653,903	80,164,300	-	-
Right-of-use assets		25,295,806	26,901,634	-	-
Intangible assets	5	1,122,436	1,244,691	-	-
Investment in subsidiaries		-	-	52,131,668	52,123,465
Total non-current assets		107,072,145	108,310,625	52,131,668	52,123,465
Current assets					
Inventories		307,126	357,155	-	-
Trade and other receivables		13,110,548	6,546,720	18,449,204	4,206,183
Prepayments		762,740	325,101	5,426	121,474
Income tax recoverable		207,882	-	-	-
Cash and bank balances		36,693,732	18,658,283	5,147,113	8,990,313
Total current assets		51,082,028	25,887,259	23,601,743	13,317,970
Total assets		158,154,173	134,197,884	75,733,411	65,441,435
EQUITY AND LIABILITIES					
Equity					
Share capital	6	66,574,608	66,574,608	66,574,608	66,574,608
Merger reserve		(12,700,040)	(12,700,040)	-	-
Capital reserve		68,755	116,678	1,328,829	1,328,829
Foreign exchange translation reserve		177,440	781	-	-
Retained earnings/(Accumulated losses)		31,074,223	8,913,288	5,956,411	(4,176,758)
Equity attributable to owners of the parent		85,194,986	62,905,315	73,859,848	63,726,679
Non-controlling interests		6,030,300	3,717,527	-	-
Total equity		91,225,286	66,622,842	73,859,848	63,726,679
Non-current liabilities					
Lease liabilities		20,802,269	21,745,542	-	-
Borrowings	7	5,321,782	8,094,113	-	-
Contract liabilities	8.2(b)	231,796	415,349	-	-
Amount due to a director	7	3,887,500	4,785,000	-	-
Provisions		4,713,643	4,437,783	-	-
Deferred tax liabilities		8,441,620	3,530,000	-	-
Total non-current liabilities		43,398,610	43,007,787	-	-



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	Notes	Group		Company	
		As at 31 Dec 2022	As at 31 Dec 2021	As at 31 Dec 2022	As at 31 Dec 2021
		RM (Unaudited)	RM (Audited)	RM (Unaudited)	RM (Audited)
Current liabilities					
Trade and other payables		9,991,694	9,670,111	1,868,192	1,714,756
Lease liabilities		2,762,947	2,641,576	-	-
Borrowings	7	3,471,476	4,306,309	-	-
Contract liabilities	8.2(b)	1,693,849	2,514,111	-	-
Amount due to a director	7	897,500	807,039	-	-
Income tax payable		4,712,811	4,628,109	5,371	-
Total current liabilities		23,530,277	24,567,255	1,873,563	1,714,756
Total liabilities		66,928,887	67,575,042	1,873,563	1,714,756
Total equity and liabilities		158,154,173	134,197,884	75,733,411	65,441,435



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B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Group					
		6 months ended 31 Dec		Change %	12 months ended 31 Dec		
		2022 RM (Unaudited)	2021 RM (Audited)		2022 RM (Unaudited)	2021 RM (Audited)	Change %
Revenue	8.2(a)	41,025,815	12,574,089	226.3	67,596,934	17,693,381	282
Cost of sales		(14,808,253)	(6,979,965)	112.2	(23,379,222)	(11,355,334)	105.9
Gross profit		26,217,562	5,594,124	368.7	44,217,712	6,338,047	597.7
Other income		2,986,148	276,736	979.1	3,415,243	440,323	675.6
Administrative expenses		(5,934,658)	(2,830,772)	109.6	(11,008,537)	(8,192,263)	34.4
Impairment on trade receivables		35,394	(714,213)	-105.0	35,394	(714,213)	-105.0
Finance costs		(1,303,108)	(1,442,901)	-9.7	(2,414,335)	(2,546,490)	-5.2
Profit/(Loss) before income tax	9	22,001,338	882,974	>1000	34,245,477	(4,674,596)	832.6
Income tax expense	10	(6,177,670)	(5,582,631)	10.7	(8,314,262)	(5,691,719)	46.1
Profit/(Loss) after income tax		15,823,668	(4,699,657)	436.7	25,931,215	(10,366,315)	350
Other Comprehensive Income		171,544	1,301	> 1000	294,433	1,301	> 1000
Foreign currency translation							
Total comprehensive income/(loss) for the financial period/year		15,995,212	(4,698,356)	440.4	26,225,648	(10,365,014)	353.0
Profit/(loss) attributable to:							
- Owners of the parent		13,776,963	(4,853,172)	383.9	22,160,935	(11,799,245)	287.8
- Non-controlling interests		2,046,705	153,515	> 1000	3,770,280	1,432,930	163.1
Profit/(loss) for the financial period/year, representing total comprehensive income/(loss) for the financial period/year		15,823,668	(4,699,657)	436.7	25,931,215	(10,366,315)	350.1



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Total Comprehensive income/(loss) attributable to:							
- Owners of the parent	13,879,890	(4,852,391)	386.0	22,337,594	(11,798,464)	289.3	
- Non-controlling interests	2,115,322	154,035	> 1000	3,888,054	1,433,450	171.2	
Profit/(loss) for the financial period, representing total comprehensive income/(loss) for the financial period	15,995,212	(4,698,356)	440.4	26,225,648	(10,365,014)	353.0	
Profit/(loss) per share⁽¹⁾ attributable to owners of the parent for the financial period/year (RM cents per share)							
Basic and Diluted ⁽²⁾	8.33 ⁽¹⁾	(3.29) ⁽¹⁾		13.40 ⁽¹⁾	(7.80) ⁽¹⁾		

n.m.: Not meaningful

- (1) Computed based on profit/(loss) attributable to owners of the parent for the respective financial period/year divided by the weighted average number of ordinary shares in issue during the respective financial period/year. The weighted average number of ordinary shares for the six months ended 31 December 2022 and the six months ended 31 December 2021 is 165,365,200 and 154,773,097 shares, respectively. The weighted average number of ordinary shares for the financial year ended 31 December 2022 ("FY2022") and the financial year ended 31 December 2021 ("FY2021") is 165,365,200 and 151,239,582 shares, respectively.
- (2) The Company did not have any dilutive instruments. Hence, the basic and fully diluted earnings/(loss) per share are the same for the respective financial period/year.



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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital reserves	Merger reserve	Retained earnings	Foreign exchange translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group	RM	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2022	66,574,608	116,678	(12,700,040)	8,913,288	781	62,905,315	3,717,527	66,622,842
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	22,160,935	176,659	22,337,594	3,888,054	26,225,648
Changes in ownership interest in subsidiary with no changes in control								
Acquisition of shares in a subsidiary which not already owned	-	(18,441)	-	-	-	(18,441)	18,437	(4)
Disposal of shares to non-controlling interest	-	(29,482)	-	-	-	(29,482)	31,282	1,800
Transactions with non-controlling interests								
Dividend paid	-	-	-	-	-	-	(1,625,000)	(1,625,000)
Balance as at 31 December 2022 (unaudited)	66,574,608	68,755	(12,700,040)	31,074,223	177,440	85,194,986	6,030,300	91,225,286

	Share capital	Capital reserves	Merger reserve	Retained earnings	Foreign exchange translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group	RM	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2021	55,360,320	1,366,485	(12,700,040)	20,712,533	-	64,739,298	(25,745)	64,713,553
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for the financial year	-	-	-	(11,799,245)	781	(11,798,464)	1,433,450	(10,365,014)
Issuance of new shares pursuant to private placement	11,214,288	-	-	-	-	11,214,288	-	11,214,288
Capital contribution by a shareholder of non-controlling interests	-	-	-	-	-	-	15	15
Disposal of shares to non-controlling interests	-	(1,249,807)	-	-	-	(1,249,807)	2,309,807	1,060,000
Balance as at 31 December 2021 (Audited)	66,574,608	116,678	(12,700,040)	8,913,288	781	62,905,315	3,717,527	66,622,842



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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Share capital	Capital reserve	Accumulated losses	Total equity
Company	RM	RM	RM	RM
Balance as at 1 January 2022	66,574,608	1,328,829	(4,176,758)	63,726,679
Profit for the financial year, representing total comprehensive income for the financial year	-	-	10,133,169	10,133,169
Balance as at 31 December 2022 (Unaudited)	66,574,608	1,328,829	5,956,411	73,859,848

	Share capital	Capital reserve	Accumulated losses	Total equity
Company	RM	RM	RM	RM
Balance as at 1 January 2021	55,360,320	1,328,829	(2,251,470)	54,437,679
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(1,925,288)	(1,925,288)
Issuance of new shares	11,214,288	-	-	11,214,288
Balance as at 31 December 2021 (Audited)	66,574,608	1,328,829	(4,176,758)	63,726,679



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D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12 months ended 31 Dec	
	2021	
2022	RM	RM
Cash flows from operating activities		
Profit/(loss) before income tax	34,245,477	(4,674,596)
Adjustments for:		
Depreciation of property, plant and equipment	4,876,352	5,578,555
Depreciation of right-of-use assets	1,693,860	1,745,513
Accretion for restoration cost	275,861	273,745
Amortisation of intangible asset	122,255	125,797
Bad debts written-off	-	123,703
Expected credit (gain)/loss on trade receivables	(35,394)	714,214
(Gain)/loss on disposal of property, plant and equipment	(171,745)	13,701
Net loss on impairment of financial instrument	-	7,571
Unrealised foreign exchange (gain)/loss (Write-back of provision)/provision for slow moving inventory	(256,135)	64,011
Interest expense	(294,373)	147,186
Interest income	2,414,335	2,546,491
	(149,507)	(6,809)
Operating profit before working capital changes	42,720,986	6,659,082
Working capital changes:		
Inventories	344,402	54,007
Trade and other receivables	(6,544,895)	(4,553,646)
Trade and other payables	(793,120)	524,639
Cash generated from operations	35,727,373	2,684,082
Income tax paid	(3,573,638)	(396,994)
Net cash from operating activities	32,153,735	2,287,088
Cash flows from investing activities		
Purchase of plant and equipment	(5,473,742)	(594,956)
Proceeds from disposal of property, plant and equipment	191,500	4,000
Consideration received from non-controlling interests	-	1,060,000
Acquisition of non-controlling interests	(3)	-
Net cash (used in)/generated from investing activities	(5,282,245)	469,044
Cash flow from financing activities		
Proceeds from issuance of ordinary shares to owners of the parent	-	11,214,288
Proceeds from issuance of ordinary shares to non-controlling interests	1,800	15
Proceeds from loan from a director	-	1,000,000
Repayment of loan from a director	(1,221,278)	(1,189,298)
Repayment of finance lease obligations under leases	(2,183,990)	(2,244,475)
Repayment of borrowings	(3,607,164)	(300,287)
Dividends paid to non-controlling interests by a subsidiary	(1,625,000)	-
Interest paid	(638,006)	(669,969)
Interest received	86,754	6,809
Changes in pledged fixed deposits	(12,154)	(19,248)
Net cash (used in)/generated from financing activities	(9,199,038)	7,797,835



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	Group	
	12 months ended 31 Dec	
	2021	
2022		
	RM	RM
Net increase in cash and cash equivalents	17,672,452	10,553,967
Effect of changes in exchange rate differences	350,842	7,830
Cash and cash equivalents at beginning of financial year	17,594,748	7,032,951
Cash and cash equivalents at end of financial year	35,618,042	17,594,748
Cash and bank balances	36,693,732	18,658,283
Less: Deposits pledged	(1,075,690)	(1,063,535)
Cash and cash equivalents at end of financial year	35,618,042	17,594,748



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Sim Leisure Group Ltd. (the “**Company**”) is a public limited company domiciled in Singapore and incorporated on 8 March 2018. The Company was listed on the official list of the Catalist Board of the Singapore Exchange Securities Trading Limited on 1 March 2019. This condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2022 (“**FY2022**”) comprise the Company and its subsidiaries (collectively, the “**Group**”).

The primary activities of the Company is that of investment holding.

The principal activities of the Group are:

- (a) Investment holding and development of theme parks;
- (b) Development and operation of theme parks;
- (c) Business in relation to sports, recreation and teambuilding;
- (d) Business in design, project management and installation of adventure parks; and
- (e) Owns and operates Kidzania educational and entertainment facility.

2. Basis of Preparation

The condensed interim consolidated financial statements for the six months and full year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last interim consolidated financial statements for the period ended 30 June 2022.

The accounting policies and methods of computations adopted are consistent with those adopted by the Company in its most recently audited consolidated financial statements for the year ended 31 December 2021, which were prepared in accordance with SFRS(I)s, except for the adoption of new and revised standards as set out in Note 2.2 of the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements are presented in Malaysia Ringgit (“**RM**”) which is the Company’s functional currency.

2.1 Going Concern

The Group recorded an operating cash inflow of RM42.72 million for FY2022 and a positive working capital position of RM27.55 million as at 31 December 2022. Accordingly, management does not believe there is a material uncertainty over the ability of the Group to operate as a going concern.



E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.2 New and amended standards adopted by the Group

The Group and the Company have adopted all the new and revised SFRS(I)S and SFRS(I) Interpretations that are relevant to its operations and effective for the annual period beginning on or after 1 January 2022. The adoption of these new and revised SFRS(I)s and SFRS(I) Interpretations has no material effect on the performance and financial position of the Group and of the Company for the current financial year reported on. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new and revised standards and interpretations.

2.3 Use of estimates and judgements

In preparing the condensed interim consolidated financial statements, management has made judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

During the current financial year, management determined that the estimated useful lives of its ESCAPE operating plant and park structures capitalised as property, plant and equipment should be averaging from 12.5 years to 23 years (2021: 10 to 13 years). This was following a review and benchmarking against regional and international accepted industry standards as well as the Group's consistent preventive maintenance programmes to these rides and slides. As a result, the expected useful lives of these assets increased accordingly.

The effect of these changes on depreciation expense, recognised in profit or loss under cost of sales, in current and future years are as follows:-

	2022	2023	2024
	RM	RM	RM
Decrease in depreciation charges	243,035*	809,336	809,336

*- Changes with effect from October 2022

Save for the above, the significant judgements made by management in applying the Group's other accounting policies and the key sources of estimation uncertainty were the same as those described in the annual audited consolidated financial statements as at and for the year ended 31 December 2021.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the six months and full year ended 31 December 2022.



E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

4. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM5.47 million (FY2021 : RM0.59 million) and 2H2022 amounting to RM3.23 million (2H2021 : RM0.14 million). Cash payments of RM5.04 million (FY2021: RM0.34 million) and RM2.8 million (2H2021 : RM nil) were made to purchase such property, plant and equipment during FY2022 and 2H2022, respectively.

5. Intangible assets

<u>Group</u>	License fees RM	Accounting software RM	Total RM
Cost			
At 31 December 2021 and 31 December 2022	2,445,750	890,372	3,336,122
Accumulated amortisation			
At 1 January 2021	1,078,772	886,862	1,965,634
Amortisation	122,288	3,509	125,797
At 31 December 2021	1,201,060	890,371	2,091,431
Amortisation	122,255	-	122,255
At 31 December 2022	1,323,315	890,371	2,213,686
Carrying amount			
At 31 December 2021	1,244,690	1	1,244,691
At 31 December 2022	1,122,435	1	1,122,436

There were no intangible assets for the Company as at 31 December 2021 and 31 December 2022.

5.1 License fees

The license fees are amortised over a period of 20 years from the commercial public opening of the Kidzania facility located in Petaling Jaya, Selangor on 28 February 2012.

6. Share capital

	<u>Group and Company</u>	
	Number of shares	Share Capital RM
Fully paid ordinary shares with no par value (excluding treasury shares)		
As at 31 December 2021 and 31 December 2022	165,365,200	66,574,608



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There were no changes in the issued and paid-up capital of the Company since 30 June 2022 to 31 December 2022.

As at 31 December 2022, 30 June 2022 and 31 December 2021, the Company did not have any outstanding convertibles, treasury shares or subsidiary holdings. There was no sale, transfer, cancellation and/or use of treasury shares and subsidiary holdings during FY2022.

7. Borrowings

	Group and Company	
	31 Dec 2022	31 Dec 2021
	RM	RM
	(Unaudited)	(Audited)
Amount repayable in one year or less, or on demand		
Secured	4,368,976	5,113,348
Unsecured	-	-
Amount repayable after one year		
Secured	9,209,282	12,879,113
Unsecured	-	-

As at 31 December 2022 and 31 December 2021, the Group's borrowings comprised bank overdrafts, term loans, and amount due to a Director of the Company.

The term loans and bank overdrafts are secured by a general debenture, corporate guarantees from the Company and its subsidiaries, as well as personal guarantee from a Director of the Company.

The amount due to a Director of the Company is secured by a charge over the issued and paid-up capital of Rakan Riang Sdn Bhd ("RRSB") and the assignment of 5% of the total revenue of RRSB as agreed between the Director of the Company and Sim Leisure Escape Sdn Bhd. Shareholders are advised to refer to the announcement dated 24 November 2020 for further information pertaining to the amount due to a Director of the Company.



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8. Segment and revenue information

8.1 Reportable segments

Business segments

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 two primary business segments, which is that of theme park operations and events and royalty income derived from relevant cooperation agreements entered with the Group's customers. 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. Revenue from royalty income is derived through the licensing of the "Sim Leisure" brand name to the Group's customers.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before income tax, as included in the internal management reports that are reviewed by both the Executive Chairman ("EC") and Chief Executive Officer ("CEO") of the Company. Segment profit/(loss) is used to measure performance as the management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

FY2022	Theme Park RM	Royalties RM	Total reporting segment RM
Sales to external parties	59,561,643	8,035,291	67,596,934
Adjusted EBITDA	37,662,987	7,791,586	45,454,573
Depreciation and amortisation	6,692,467	-	6,692,467
Interest expense	2,414,335	-	2,414,335
Other material non-cash items:			
- Impairment (gain)/loss on trade receivables	(110,267)	74,873	(35,394)
Reportable segment assets	141,748,821	11,778,992	153,527,813
Reportable segment liabilities	(85,234,429)	(4,657,043)	(89,891,472)



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FY2021	Theme Park RM	Royalties RM	Total reporting segment RM
Sales to external parties	12,183,362	5,510,019	17,693,381
Adjusted EBITDA	1,992,885	5,260,801	7,253,689
Depreciation and amortisation	7,449,865	-	7,449,865
Interest expense	2,546,490	-	2,546,490
Other material non-cash items:			
- Impairment (gain)/loss on trade receivables	491,694	222,520	714,214
Reportable segment assets	122,136,530	5,282,657	127,419,187
Reportable segment liabilities	(66,096,254)	(882,252)	(66,978,506)

Reconciliation

i. Segment profits

A reconciliation of adjusted EBITDA to profit before tax is as follows: -

	Group	
	31 Dec 2022	31 Dec 2021
	RM	RM
Adjusted EBITDA for reportable segments	45,454,573	7,253,689
Adjusted EBITDA for other segments	(2,102,294)	(1,931,930)
Depreciation and amortisation	(6,692,467)	(7,449,865)
Interest expense	(2,414,335)	(2,546,490)
Consolidated profit before tax	34,245,477	(4,674,596)

ii. Segment assets

The amounts reported to EC and CEO with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than assets associated with other reporting segments.



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Segments assets are reconciled to total assets as follows: -

	Group	
	31 Dec 2022	31 Dec 2021
	RM	RM
Segments assets for reportable segments	153,527,813	127,419,187
Other reporting segments	4,626,360	6,778,697
Total assets	158,154,173	134,197,884

iii. Segment liabilities

The amounts provided to EC and CEO with respect to total liabilities are measured in a manner consistent with that of the previous financial statements released by the Company. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to the reportable segments other than liabilities associated with other reporting segments.

Segments liabilities are reconciled to total liabilities as follows: -

	Group	
	31 Dec 2022	31 Dec 2021
	RM	RM
Segments liabilities for reportable segments	(89,891,472)	(66,978,506)
Other reporting segments	22,962,585	(596,536)
Total liabilities	(66,928,887)	(67,575,042)

Geographical information

The Group's revenue and assets are mainly derived from Malaysia and Singapore.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers and segment assets are based on geographical location of the assets.

	Group	
	31 Dec 2022	31 Dec 2021
	RM	RM
<u>Revenue</u>		
Singapore	8,035,291	5,202,276
Malaysia	59,561,643	12,183,362
China	-	307,743
Consolidated revenue	67,596,934	17,693,381



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	Group	
	31 Dec 2022 RM	31 Dec 2021 RM
<u>Total assets</u>		
Singapore	16,405,352	12,061,354
Malaysia	141,748,821	122,136,530
Consolidated total assets	<u>158,154,173</u>	<u>134,197,884</u>

Major customers

Revenue from one customer of the Group's royalties segment represents approximately RM8,035,291 (2021 : RM5,202,276) of the Group's total revenue. Due to the diverse base of customers visiting the theme parks, the Group is not reliant on any customer for its revenue and no one single customer accounted for more than 10% of the Group's total revenue for FY2021 and FY2022.

8.2 Disaggregation of Revenue

8.2 (a) Disaggregation of the Group's revenue is as follows:

	Group			
	2H2022 RM (Unaudited)	2H2021 RM (Audited)	FY2022 RM (Unaudited)	FY2021 RM (Audited)
Type of good or services				
Admission fees to theme parks	29,195,969	8,972,268	47,984,717	10,249,591
Sale of food, beverages, merchandise and others	3,316,784	1,092,726	5,878,970	1,342,671
Services rendered	1,965,808	341,996	3,511,635	575,475
Royalties	3,572,991	2,245,061	8,035,291	5,510,019
Sponsorship income	1,588,491	(77,962)	2,186,321	15,625
Revenue from contract with customers	1,385,772	-	-	-
Total	<u>41,025,815</u>	<u>12,574,089</u>	<u>67,596,934</u>	<u>17,693,381</u>

Revenue from admission fees to theme parks, sale of food, beverages and merchandise, services rendered and sponsorship income are recognised at a point in time.

Royalty income is recognised on an accrual basis in accordance with the relevant cooperation agreements entered into with the Group's customers.



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8.2 (b) Contract Liabilities

	Group	
	FY2022 RM (Unaudited)	FY2021 RM (Audited)
Current	1,693,849	2,514,111
Non-current	231,796	415,349
Total	1,925,645	2,929,460

Revenue from sponsorship which consists of initial and annual fees from sponsors are amortised across the tenure of the contracts subject to the terms and conditions of the individual contract.

The transaction price allocated to the unsatisfied performance obligations as at 31 December 2022 is RM1,925,645 (31 December 2021: RM2,929,460) and is expected to be recognised over the years as follows:

	Group	
	31 Dec 2022 RM (Unaudited)	31 Dec 2021 RM (Audited)
Within one year	1,693,849	2,514,111
More than 1 year and less than 2 years	231,796	415,349
Total	1,925,645	2,929,460

9. Profit/(loss) before income tax

9.1 Significant items

The following items have been included in arriving at profit/(loss) before income tax.

	Group		
	FY2022 RM (Unaudited)	FY2021 RM (Audited)	Increase/ (Decrease) %
Profit for the year is arrived at:-			
Write back of Payables	1,772,500	-	n.m.
Discount received from lessor	645,301	765	n.m.
Gain on disposal property, plant and equipment	171,745	-	n.m.
One off sponsorship income	241,145	-	n.m.
Finance income from bank deposits	138,346	21,047	557.3



E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

	Group		Increase /(Decrease) %
	FY2022 RM (Unaudited)	FY2021 RM (Audited)	
Subsidy and other income received	446,206	407,283	(9.9)
Depreciation of right-of-use assets	(1,693,860)	(1,745,513)	(2.9)
Depreciation of property, plant and equipment	(4,876,352)	(5,578,555)	(12.5)
Finance costs (exclude lease expenses)	(1,052,245)	(1,117,312)	(5.8)
Repair and parks maintenance expenses	(1,657,008)	(137,041)	>1000
Utilities expenses	(853,172)	(352,198)	142.2
Legal and professional fees	(734,568)	(1,331,748)	(44.8)
Lease expenses	(1,362,090)	(1,429,178)	(4.7)
Staff costs	(8,085,606)	(3,251,221)	148.7
Realised foreign exchange (loss) /gain	(5,449)	9,800	n.m.
Unrealised foreign exchange gain /(loss)	256,135	(64,011)	n.m.

n.m.: Not meaningful

9.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim consolidated financial statements.

10. Income tax expense

	Group	
	31 Dec 2022 RM (Unaudited)	31 Dec 2021 RM (Audited)
Current income tax expense		
- for the financial year	3,402,642	890,781
- under provision in prior year	-	4,386,998
	3,402,642	5,277,779
Deferred income tax		
- for the financial year	4,911,620	(14,850)
- under provision in prior years	-	428,790
	4,911,620	413,940
Total income expense recognised in profit or loss	8,314,262	5,691,719

11. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2022 and 31 December 2021:



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**E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(CONT'D)**

	Group		Company	
	31 Dec 2022 RM (Unaudited)	31 Dec 2021 RM (Audited)	31 Dec 2022 RM (Unaudited)	31 Dec 2021 RM (Audited)
Financial Assets				
Trade and other receivables	13,110,548	6,546,720	18,449,204	4,206,183
Cash and bank balances	36,693,732	18,658,283	5,147,113	8,990,313
Total	49,804,280	25,205,003	23,596,317	13,196,496

	Group		Company	
	31 Dec 2022 RM (Unaudited)	31 Dec 2021 RM (Audited)	31 Dec 2022 RM (Unaudited)	31 Dec 2021 RM (Audited)
Financial Liabilities				
Trade and other payables	9,991,694	9,670,111	1,868,192	1,714,756
Borrowings	8,793,258	12,400,422	-	-
Lease liabilities	23,565,216	24,387,118	-	-
Amount due to a director	4,785,000	5,592,039	-	-
Total	47,135,168	52,049,690	1,868,192	1,714,756

12. Dividends

No dividend was paid during the financial year ended 31 December 2022 (2021 : RM Nil).

13. Net Asset Value

	Group		Company	
	31 Dec 2022 (Unaudited)	31 Dec 2021 (Audited)	31 Dec 2022 (Unaudited)	31 Dec 2021 (Audited)
Net asset value per share based on total number of issued ordinary shares excluding treasury shares (RM sens)	51.52	38.04	44.66	38.54

The net asset value per ordinary share of the Group and the Company as at 31 December 2022 and 31 December 2021 are calculated based on the total number of issued ordinary shares (excluding treasury shares) of 165,365,200.

14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

1. Review

The condensed interim consolidated statement of financial position of Sim Leisure Group Ltd. and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six months and full year ended 31 December 2022 and the explanatory notes have not been audited or reviewed by the Company's auditors.

2. 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 2021 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

3. Review of the Group's Performance

(a) Review of Financial Performance of the Group

Revenue

The increase in revenue for FY2022 was mainly contributed by: (i) higher admission fees to Escape Penang, Escape PJ and Kidzania KL as visitor numbers increased by five times when compared to FY2021. With all the theme parks in full operation in FY2022 as opposed to only five months of operations in FY2021 due to the Movement Control Order ("MCO") imposed by the Malaysian Government in response to the Covid-19 pandemic, annual theme park revenue increased by RM42.27 million or 365% in FY2022 as compared to FY2021; (ii) the 45.8% increase in royalties fee income from Sim Leisure Gulf Contracting L.L.C ("SL Gulf") due to an increase in the number of contracts and the value of the contracts successfully closed by SL Gulf; and (iii) the RM2.17million increase in sponsorship income generated by the Company's subsidiary, RRSB, during FY2022 due to the successful renewal and revision of sponsorship agreements and arrangements which were mostly expired or suspended during the peak of the Covid-19 pandemic in FY2020 and 1H2021 and numerous new agreements signed with new sponsors during FY2022.

Cost of sales

FY2022's cost of sales increased in tandem with the increase in revenue generated, and staff costs and other operational and park maintenance expenses incurred since the reopening of all the Group's theme parks.



F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Gross Profit

The Group's gross profit margin in FY2022 increased by 29.59 percentage points, from 35.82% for FY2021 to 65.41% for FY2022, largely attributable to the increase in visitors admission to all theme parks, whereas cost of sales are mainly semi-variable.

Other income

Other income in FY2022 increased by 675.62 percentage points, from RM0.44 million to RM3.42 million, this is due to (i) wage subsidy of RM0.32 million received from the Malaysian government pursuant to assistance and relief provided to Malaysian companies during the MCO period; (ii) a one-off sponsorship income of RM0.24 million received from sponsors for joint corporate events held in Escape Penang in FY2022; (iii) rental discounts obtained from lessor of RM0.60 million in respect of the Group's leasehold property, which is a one-off discount due to the COVID-19 pandemic; (iv) trade and other payables written back by RRSB amounting to RM1.67 million due to waiver of debts; and (v) fixed deposit interest income received and receivable of RM0.15 million for Group funds placed with licensed banks.

Administrative expenses

FY2022's administrative expenses increased by 34.38 percentage points, from RM8.19 million to RM11.01 million. The increase was mainly due to (i) increase in advertisement, marketing and promotion expenses of RM0.97 million; (ii) increase in the remuneration of the executive directors and independent directors fee of RM1.58 million; and (iii) increase in the general administrative and head count cost for the Group of RM0.87 million in line with increase in the Group's revenue. The increase was partially offset by the decrease in legal & professional fees of RM0.60 million.

Impairment loss on trade receivables

Impairment loss on trade receivables reduced from RM0.72 million to a recovered amount of RM0.04 million. There is no specific impairment loss other than a general provision against receivable balance as an expected credit loss of RM0.13 million, after offsetting impairment loss written back due to the successful collection of outstanding debts owed to the Company in FY2022.

Finance costs

Finance costs decreased by 5.19 percentage points, principally due to savings in overdraft interest of RM0.11 million as overdraft are unused due to strong cashflow generated from the theme park business and reduction in the interest expense from loan due to a director of RM0.03 million as a result of higher principal repayment during FY2022.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Profit/(loss) after income tax

As a result of the above, the Group recorded a net profit after tax of RM25.93 million for FY2022 as compared to a net loss after tax of RM10.37 million for FY2021.

(b) Review of Financial Position of the Group

Non-current assets

The Group recorded a decrease in its non-current assets amounting to an aggregate of RM1.24 million in FY2022 principally due to the decrease in rights-of-use assets of RM1.61 million and decrease in intangible assets of RM0.12 million due to yearly depreciation and amortisation; which was partially offset by the increase in property, plant and equipment amounting to RM0.49 million (net of depreciation) due to additional attractions being introduced in ESCAPE Penang both Waterplay and Adventureplay, during FY2022.

Current assets

Current assets increased in FY2022 as (i) the Group generated net cash and cash equivalents of RM18.04 million from operations after netting off with that from investing and financing activities; and (ii) higher trade and other receivables of RM6.56 million which mainly arose from the royalties fees receivable from SL Gulf; (iii) increased prepayments of RM0.44 million for advance lease payment made to the lessor and prepaid insurances and advance payment for services to be rendered by vendors in FY2023; and (iv) additional RM0.21 million of income tax recoverable as such tax recoverable was absent as at 31 December 2021 (given that tax credit was utilised against the balance tax payment for FY2020).

The increase in current assets was partially offset by the decreases in inventories by RM0.05 million in line with increase in volume of visitors and promotional activities.

Non-current liabilities

The Group recorded an increase in non-current liabilities as (i) RM0.28 million increase in provision for the restoration costs to be incurred in Escape Penang, Escape Challenge at Paradigm Mall, and Kidzania at Curve NX; (ii) RM4.9 million increase in deferred tax liabilities due to the utilisation of unabsorbed losses and capital allowance brought forward against current financial year's, FY2022, taxable income. The increase above was offset by the decrease in; (i) RM0.94 million of its lease liabilities was reclassified to current liabilities; (ii) RM2.78 million of term loans was reclassified as current liabilities; (iii) RM0.90 million due to a Director of the Company was reclassified under current liabilities; and (iv) deferred revenue of sponsorship income classified under contract liabilities decreased by RM0.18 million in accordance with recognising the revenue as per the terms of the contracts.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Current liabilities

Current liabilities decreased as a result of (i) repayment of borrowings of RM0.83 million; (ii) decrease in contract liabilities (being deferred revenue of admission fees to theme parks and deferred sponsorship revenue) by RM0.82 million mainly due to utilisation of pre-purchased tickets upon admission by customers.

However, the decrease was partially offset by (i) increase in trade and other payables of RM0.32 million as a results of increase in revenue sharing with merchandise partners in tandem with the increase in the parks revenue ; (ii) increase in lease liabilities RM0.09 million; (iii) increase in amount due to a director of RM0.09 million due to reclassification from non-current liabilities; and (iv) increase in income tax payable of RM0.08 million due to the profit recorded for FY2022.

Working Capital Position

The Group recorded a positive working capital position of RM27.55 million as at 31 December 2022, which is a significant improvement when compared to the working capital position of RM1.32 million as at 31 December 2021.

(c) Review of Statement of Cash Flow of the Group

The Group's net cash generated from operating activities amounted to RM32.15 million for FY2022, which comprised operating cash inflow before the change in working capital of approximately RM42.72 million net of working capital outflow of RM6.99million.

The Group's net cash flows used in investing activities for FY2022 amounted to RM5.28 million, mainly due to the additional development cost capitalised for the continuous development of the Group's theme parks.

The Group's net cash flows used in financing activities for FY2022 amounted to approximately RM9.2 million, mainly due to repayment of finance lease obligations, lease liabilities, loans and borrowings as well as interest paid.

As a result of the above and taking into account the effect of changes in rate differences, the Group's cash and cash equivalents increased by RM18.03 million to RM35.62 million as at 31 December 2022.

4. 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 or prospect statement has been previously disclosed to shareholders.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

5. 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 is continuing with its aggressive plans to expand its business in both Malaysia and internationally. Over the past 12 months we have been receiving an increasing number of enquiries to develop and operate ESCAPE Parks from both land owners and mall operators, who are looking at ways of enhancing their developments through placemaking and offering unique customer lifestyle experiences. The Group had announced 2 new ESCAPE Park being ESCAPE Cameron Highlands and ESCAPE Ipoh. Construction has started on the ESCAPE Ipoh Park which is targeted to open in the second half of 2023, whereas ESCAPE Cameron Highlands is waiting for relevant authorities' approval. We are also in advanced discussions for the development and operation of ESCAPE Parks (both outdoor and indoor mall versions) across Klang Valley, Johor and Cherating. As the first Asian attraction brand to be exported internationally, the Group is also currently exploring the possibility of opening new ESCAPE Parks and ESCAPE Challenge Centres across the Middle East, South Eastern Europe and the Asia Pacific.

The Group has also continued to invest in its existing ESCAPE Penang Park having recently launched Malaysia's first Ski Slope and Dead Sea Pool attractions in Q4 2022 with further plans to expand the ESCAPE Park to include an accommodation offering and outdoor obstacle course to drive corporate team building and the family markets and increase the length of visit.

The Group is also expanding its involvement with the KidZania franchise where it has recently been awarded by Sentosa Development Corporation, the lease of the premises where the former KidZania Singapore was located ("KidZania Singapore Facility"), following the successful bidding of the limited tender for the KidZania Concept undertaken by the liquidators of Rakan Riang Pte. Ltd. (In Creditors Voluntary Liquidation) in 2020, involving the purchase of all the non-movable assets, fittings and fixtures at the KidZania Singapore Facility ("KidZania Assets Purchase"). The Group is in the midst of completing the KidZania Assets Purchase for a total cash purchase consideration of SGD110,000 pursuant to the conditional Asset Sale Agreement dated 23 December 2020 and the lease agreement within 1Q 2023. The KidZania Assets Purchase will enable the Group to take over, refurbish and revive the KidZania Singapore Facility. Barring any unforeseen circumstances, the Group expects the re-opening of the KidZania Singapore Facility in Q4 2023. Further announcements will be made as and when there are any material updates and developments in respect of the KidZania Assets Purchase.

The Group continues to review 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. The Company will update shareholders via SGXNET as and when there are any material developments.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

6. Dividend information

(a) Current Financial Period Reported On

Any dividend declared/proposed for the current financial period reported on?

In view of the Group's performance for FY2022, the directors are pleased to propose a final (one-tier) tax exempt cash dividend of RM0.05 per ordinary share in the capital of the Company in respect of the full year ended 31 December 2022, subject to the approval of the shareholders of the Company at the forthcoming annual general meeting to be convened in due course.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The proposed dividend is one-tier tax exempt.

(d) Date payable

To be announced at a later date.

(e) 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

The books closure date will be announced at a later date.

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

Not applicable



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

7. Interested person transactions

The Company has obtained a general mandate from its shareholders for interested person transactions (“IPT”) at the Company’s annual general meeting held on 29 April 2022. Please refer to the Company’s addendum to annual report in relation to the proposed renewal of the IPT mandate dated 14 April 2022.

Details of the interested person transactions for FY2022 are as follows:

Name of Interested Person / Description of Transactions	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions the financial period under review which are conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		RM'000	RM'000
Sim Leisure Consultants Sdn Bhd / Construction and maintenance works and material purchase on behalf of the Group	An associate of Mr Sim Choo Kheng (Executive Chairman as well as a controlling shareholder of the Company) and Ms Silviya Georgieva Georgieva (Executive Director of the Company)	-	4,209
Tan Boon Seng / Interest charged on loan granted to a wholly-owned subsidiary of the Company ⁽¹⁾	Non-Independent Non-Executive Director of the Company	416	-
Sim Leisure Gulf Contracting L.L.C. / Revenue - Cooperation Fee ⁽²⁾	An associate of Mr Sim Choo Kheng (Executive Chairman as well as a controlling shareholder of the Company) and Ms Silviya Georgieva Georgieva (Executive Director of the Company)	8,035	-
Total		8,451	4,209



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Notes:

(1) Pursuant to the loan agreement entered into between Company's wholly-owned subsidiary, Sim Leisure Escape Sdn Bhd, and Mr Tan Boon Seng on 20 November 2020 (as supplemented from time to time), which has been announced by the Company on 24 November 2020. Please refer to the Company's announcements dated 24 November 2020, 30 November 2020, 17 February 2021 and 30 December 2021, for more information on the loan agreement.

(2) Pursuant to the cooperation agreement entered into between the Company's 60%-owned subsidiary, Sim Leisure Creative Pte. Ltd., and SL Gulf on 9 December 2020, which has been approved by independent shareholders of the Company at the Company's extraordinary general meeting held on 20 November 2020. Please refer to the Company's announcement dated 9 December 2020 and the Company's circular to shareholders dated 5 November 2020, for more information on the cooperation agreement.

8. 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) of the Catalist Rules

The Company confirms that it has procured and received all the required undertakings from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

9. Acquisition or realisation of shares in subsidiaries and/or associated companies under Rule 706(A) of the Catalist Rules

a) Incorporation of a subsidiary - Sim Leisure Makers Sdn Bhd ("SLM")

The Group had on 9 August 2022 via its wholly owned subsidiary Sim Leisure Escape Sdn Bhd incorporated a 100% owned subsidiary, SLM in Malaysia. SLM has an issued and fully paid-up share capital of RM1.00 comprising one (1) issued and fully paid-up share. Its principal activity is to carry out the business of design and construction of theme attractions and parks as well as theme features.

The Group had subsequently on 22 September 2022, entered into a Joint Venture cum Shareholders' Agreement ("**JV Shareholders' Agreement**") with its JV partner, Mr Milan Vanek. Pursuant to the JV Shareholders' Agreement, the Company and its JV partner subscribed via cash for 8,199 and 1,800 new SLM shares respectively at an issue price of RM1.00 per new SLM share. The Company also purchased the Subscriber share from Sim Leisure Escape Sdn Bhd at a cash consideration of RM1.00. Following the above, SLM became a 82% owned subsidiary of the Group. For further details, please refer to the Company's SGXNET announcement dated 22 September 2022.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

b) Acquisition of Sim Leisure Gulf Contracting L.L.C (“**SL Gulf**”)

The Group had on 30 November 2022 via its 60%-owned subsidiary Sim Leisure Creative Pte. Ltd. (“**SL Creative**”) entered into a conditional share sale and purchase agreement (“**Agreement**”) with Dato’ Sim Choo Kheng (“**Dato Sim**”) to acquire 300 shares of AED1,000 each in SL Gulf representing the entire issued and paid-up share capital of SL Gulf for a cash consideration of RM2,100,000.

The Group had on 31 January 2023 completed the acquisition of SL Gulf following the registration of the change of ownership of the 100% equity interest in Government of Dubai, UAE and the settlement of the cash consideration of RM2,100,000 to Dato Sim.

For further details, please refer to the Company’s SGXNET announcements dated 30 November 2022 and 31 January 2023.

c) Acquisition of remaining 49% interest in The Cool Melon Pte Ltd (“**Cool Melon**”)

The Company had on 22 December 2022 acquired 49 ordinary shares in Cool Melon representing the remaining 49% equity interest in Cool Melon from Ticket2U for a cash consideration of S\$1.00

paid at completion. The purchase consideration was arrived at on a willing buyer-willing seller basis, after taking into consideration the deficit in the shareholders’ equity position of Cool Melon and its wholly-owned subsidiary, The Cool Melon Sdn.Bhd. (the “**Cool Melon Group**”) as at 30 November 2022. The Purchase resulted in Cool Melon becoming a wholly owned subsidiary of the Company.

The directors and shareholders of Ticket2U are not related to the Directors, the substantial shareholders of the Company or their respective associates.

For further details, please refer to the Company’s SGXNET announcement dated 27 December 2022.

d) Incorporation of an Indirect wholly owned subsidiary – Team Works Malaysia Sdn Bhd (“**TWMs**”)

The Group had on 23 December 2022 via its wholly owned subsidiary Sim Leisure Escape Sdn Bhd incorporated a 100% owned subsidiary, TWM in Malaysia. TWM has an issued and fully paid-up share capital of RM100.00 comprising one (100) issued and fully paid-up shares. Its principal activity is to carry out the business of provision of team building services and organising sport, team building and leisure events. For further details, please refer to the Company’s SGXNET announcement dated 27 December 2022.

Save for the above, the Group does not have any acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period up to 31 December 2022.



F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

10 Use of Proceeds

The Company refers to its announcements dated 1 September 2021, 8 October 2021, 15 October 2021 and 19 October 2021 as well as the Company's circular to shareholders dated 23 September 2021 (the "Circular") in relation to the proposed issue of 17,717,700 new ordinary shares at an issue price of S\$0.205 per new ordinary share in the capital of the Company ("Subscription").

Pursuant to the Subscription, the Company raised net proceeds amounting to approximately S\$3,592,000, after deducting expenses incurred in connection with the Subscription as set out in the Company's announcement dated 1 September 2021 and the Circular (the "Net Proceeds").

The Company wishes to provide an update on the utilisation of the Net Proceeds as follows:

Use of Net Proceeds	Allocation of Net Proceeds (\$'000)	Net Proceeds utilised up to 31 December 2022 (\$'000)	Balance of Net Proceeds as at 31 December 2022 (\$'000)
Funding of potential growth and expansion or diversification	2,514	(1,800) ⁽¹⁾	714
General working capital	1,078	(1,078) ⁽²⁾	-
Total	3,592	(2,878)	714

Notes:

(1) The breakdown of the utilisation of Net Proceeds to be used for potential growth are as follows:

Summary of Expenses	(\$'000)
Expansion projects	1,800
Total	1,800

(2) The breakdown of the utilisation of Net Proceeds to be used for general working capital are as follows:

Summary of Expenses	(\$'000)
Staff Cost	750
Marketing and Promotional Expenses	125
Repair and Maintenance	100
Utility Bills	103
Total	1,078



F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

The above utilisation of the Net Proceeds is in accordance with the intended use and allocation as set out in the Company's announcement dated 1 September 2021 and the Circular.

The Company will provide periodic announcements on the utilisation of the balance of the Net Proceeds as and when such proceeds are materially disbursed. The Company will also provide a status report on the use of the Net Proceeds in its annual report(s) and financial results announcement(s).

G. ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

11. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the Company's most recently audited financial statements, with comparative information for the immediately preceding year.

See Section E Note 8.1 of the "Notes to the condensed interim consolidated financial statements" above.

12. In the review of the performance, the factors leading to any material changes in contributions to the turnover and earnings by the business or geographical segments.

See Section F Note 3(a) of the "Other information required pursuant to Appendix 7C of the Catalist Rules" above.

13. A breakdown of sales

	Group		
	12 months ended 31 Dec 2022 RM (Unaudited)	12 months ended 31 Dec 2021 RM (Audited)	Increase/ (Decrease) %
(a) Sales reported for first half year	26,571,119	5,119,292	419
(b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	12,244,140	(5,557,570)	319.9
(c) Sales reported for second half year	41,025,815	12,574,089	226.3
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	22,001,339	882,974	> 1000

G. ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (CONT'D)



Sim Leisure Group Ltd.
(Incorporated in the Republic of Singapore)
(Company Registration No: 201808096D)

14. A breakdown of the total annual dividend for the Company's latest full year and its previous full year.

No dividend was paid during the financial year ended 31 December 2022 (2021 : RM Nil).

15. Disclosure of person 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 pursuant to Rule 704(13) in the format below. If there are no such persons, the Company must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Mr Sim Yang Yang	28	Son of Executive Director Dato' Sim Choo Kheng and Executive Director Datin Silviya Georgieva Georgieva	Marketing Manager, 2022	Nil
Mr Sim Ming Ming	25	Son of Executive Director Dato' Sim Choo Kheng and Executive Director Datin Silviya Georgieva Georgieva	Operations Manager, 2022	Nil

BY ORDER OF THE BOARD

Dato' Sim Choo Kheng
Executive Director and Executive Chairman

Datin Silviya Georgieva Georgieva
Executive Director

23 February 2023