

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

*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**”), for compliance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.*

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 Catalyst 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 Catalyst. 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 2018 (“**FY2018**”) and the comparative results of the Group for the financial year ended 31 December 2017 (“**FY2017**”) 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.

	Group		
	FY2018 RM	FY2017 RM	Increase/(Decrease) %
	(Unaudited)	(Audited)	
Revenue	21,218,181	9,683,166	119
Cost of sales	(8,720,909)	(5,056,262)	72
Gross profit	12,497,272	4,626,904	170
Other income	20,560	9,565	115
Administrative expenses	(2,805,696)	(2,740,274)	2
Finance costs	(1,543,064)	(187,742)	722
Profit before income tax	8,169,072	1,708,453	378
Income tax expense	(2,117,148)	(420,124)	404
Profit for the financial year representing total comprehensive income for the financial year	6,051,924	1,288,329	370
Profit and total comprehensive income attributable to owners of the parent	6,051,924	1,288,329	370

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

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

	FY2018 RM (Unaudited)	Group FY2017 RM (Audited)	Increase/(Decrease) %
Depreciation of plant and equipment ⁽¹⁾	(2,438,522)	(1,244,503)	96
Finance costs	(1,543,064)	(187,742)	722
Legal and professional fees ⁽²⁾	(555,844)	(572,368)	(3)
Operating lease expenses ⁽³⁾	(343,181)	(237,514)	44
Staff costs ⁽⁴⁾	(3,358,344)	(2,321,426)	45
Other income	20,560	9,565	115
Gain on disposal of plant and equipment	88	-	n.m.
Over/(under) provision of deferred income tax in prior financial years	(16,500)	90,900	n.m.
Overprovision of income tax in prior financial years	29,509	2,236	n.m.

n.m. – not meaningful

Notes:

- (1) Depreciation of plant and equipment increased by 96% or RM1.20 million, from RM1.24 million in FY2017 to RM2.44 million in FY2018, mainly due to the increase in plant and equipment purchased for the construction of ESCAPE waterpark at the end of FY2017.
- (2) Legal and professional fees decreased by 3% or RM0.01 million, from RM0.57 million in FY2017 to RM0.56 million in FY2018, mainly due to the absence in FY2018 of human resource consultancy charges incurred in FY2017.
- (3) Operating lease expenses increased by 44% or RM0.10 million, from RM0.24 million in FY2017 to RM0.34 million in FY2018, mainly due to the capitalisation of rental expense for ESCAPE Waterplay in FY2017, while the rental expense for ESCAPE Waterplay in FY2018 was fully expensed off as the themepark was already operational.
- (4) Staff costs increased by 45% or RM1.04 million, from RM2.32 million in FY2017 to RM3.36 million in FY2018, mainly due to additional headcount hired for ESCAPE Waterplay.

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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.

	Group	Company ⁽¹⁾	
	31 December 2018	31 December 2017	31 December 2018
	RM	RM	RM
	(Unaudited)	(Audited)	(Unaudited)
ASSETS			
Non-current assets			
Plant and equipment	48,677,020	44,883,391	-
Investment in subsidiaries	-	-	30,112,569
Deferred tax assets	69,700	-	-
	48,746,720	44,883,391	30,112,569
Current assets			
Inventories	115,725	140,425	-
Trade and other receivables	1,130,659	1,196,990	-
Prepayments	3,074,675	1,018,544	285,670
Cash and bank balances	1,704,437	818,738	3,000
	6,025,496	3,174,697	288,670
Total assets	54,772,216	48,058,088	30,401,239
EQUITY AND LIABILITIES			
Equity			
Share capital	30,115,569	10,800,000	30,115,569
Equity component of redeemable convertible preference shares	275,112	275,112	-
Merger reserve	(12,700,040)	-	-
Retained earnings/(Accumulated losses)	16,426,307	10,374,383	(107,433)
Total equity	34,116,948	21,449,495	30,008,136
Non-current liabilities			
Finance lease payables	29,257	46,089	-
Liability component of redeemable convertible preference shares	-	11,301,009	-
Deferred tax liabilities	1,569,434	656,277	-
	1,598,691	12,003,375	-

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	Group		Company⁽¹⁾
	31 December 2018	31 December 2017	31 December 2018
	RM	RM	RM
	(Unaudited)	(Audited)	(Unaudited)
Current liabilities			
Trade and other payables	2,243,044	9,894,146	393,103
Finance lease payables	50,473	44,166	-
Liability component of redeemable convertible preference shares	15,928,192	4,552,490	-
Current income tax payable	834,868	114,416	-
	<u>19,056,577</u>	<u>14,605,218</u>	<u>393,103</u>
Total liabilities	<u>20,655,268</u>	<u>26,608,593</u>	<u>393,103</u>
Total equity and liabilities	<u>54,772,216</u>	<u>48,058,088</u>	<u>30,401,239</u>

Note:

- (1) There is no comparative statement as at the end of the immediately preceding financial year (as at 31 December 2017) for the Company as the Company was incorporated on 8 March 2018.

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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

As at 31 December 2018 (RM)		As at 31 December 2017 (RM)	
Secured	Unsecured	Secured	Unsecured
15,978,665	-	4,596,656	-

Amount repayable after one year

As at 31 December 2018 (RM)		As at 31 December 2017 (RM)	
Secured	Unsecured	Secured	Unsecured
29,257	-	11,347,098	-

Details of any collateral

As at the end of the financial periods, (i) 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; and (ii) the redeemable convertible preference shares ("**RCPS**") are secured by all the ordinary shares in the Company's wholly-owned subsidiary, Sim Leisure Escape Sdn. Bhd., under the investment agreement.

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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.

	Group	
	FY2018	FY2017
	RM	RM
	(Unaudited)	(Audited)
Operating activities		
Profit before income tax	8,169,072	1,708,453
Adjustments for:		
Depreciation of plant and equipment	2,438,522	1,244,503
Gain on disposal of plant and equipment	(88)	-
Interest expense	1,543,064	187,742
Operating cash flows before working capital changes	12,150,570	3,140,698
Working capital changes:		
Inventories	24,699	(119,230)
Trade and other receivables	66,331	(494,430)
Prepayments	(2,056,131)	(816,645)
Trade and other payables	(197,629)	2,138,194
Cash generated from operations	9,987,840	3,848,587
Income tax paid	(553,239)	(353,748)
Net cash from operating activities	9,434,601	3,494,839
Investing activities		
Purchase of plant and equipment	(7,051,576)	(13,376,726)
Proceeds from disposal of plant and equipment	12,600	66,654
Net cash used in investing activities	(7,038,976)	(13,310,072)
Financing activities		
Proceeds from issuance of ordinary shares	3,000	-
Proceeds from issuance of redeemable convertible preference shares	-	4,105,232
Interest paid on redeemable convertible preference shares	(1,462,532)	(1,722,967)
Repayment of finance lease obligations	(44,525)	(42,323)
Interest paid	(5,869)	(7,537)
Advances from a director of the Company	-	5,457,118
Net cash (used in) / from financing activities	(1,509,926)	7,789,523
Net change in cash and bank balances	885,699	(2,025,710)
Cash and bank balances at beginning of financial year	818,738	2,844,448
Cash and bank balances at end of financial year	1,704,437	818,738

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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.

Group	Share capital RM	Equity component of redeemable convertible preference shares RM	Merger reserve RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2018	10,800,000	275,112	-	10,374,383	21,449,495
Profit for the financial year, representing total comprehensive income for the financial year					
Profit for the year	-	-	-	6,051,924	6,051,924
Contribution by owners					
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
Total transactions with owners	19,315,569	-	(12,700,040)	-	6,615,529
Balance as at 31 December 2018	30,115,569	275,112	(12,700,040)	16,426,307	34,116,948

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Group	Share capital RM	Equity component of redeemable convertible preference shares RM	Retained earnings RM	Total equity RM
Balance as at 1 January 2017	10,800,000	238,324	9,086,054	20,124,378
Profit for the financial year, representing total comprehensive income for the financial year	-	-	1,288,329	1,288,329
Contribution by owners				
Equity component of redeemable convertible preference shares	-	36,788	-	36,788
Total transactions with owners	-	36,788	-	36,788
Balance as at 31 December 2017	10,800,000	275,112	10,374,383	21,449,495

Company⁽¹⁾	Share capital RM	Accumulated losses RM	Total equity RM
Balance as at 8 March 2018 (being the date of incorporation of the Company)	3,000	-	3,000
Total comprehensive income for the year:			
Loss for the financial period	-	(107,433)	(107,433)
Contribution by owners			
Issuance of ordinary shares pursuant to the Restructuring Exercise	30,112,569	-	30,112,569
Total transactions with owners	30,112,569	-	30,112,569
Balance as at 31 December 2018	30,115,569	(107,433)	30,008,136

Note:

- (1) There is no comparative statement as at the end of the immediately preceding financial year (as at 31 December 2017) for the Company as the Company was incorporated on 8 March 2018.

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1(d)(ii) Details of any changes in the company's share capital arising from rights issues, bonus issues, 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)
Issued and paid-up share capital as at date of incorporation of the Company on 8 March 2018	1,000	3,000
Issuance of new shares on 24 December 2018 pursuant to the Restructuring Exercise	21,456,000	30,112,569
	21,457,000	30,115,569
Resultant issued and paid-up share capital subsequent to a share split exercise, before the IPO	107,285,000	30,115,569
Issuance of new shares on 1 March 2019 to the Sponsor as part satisfaction of its management fee for the IPO	540,000	353,382 ⁽¹⁾
Issuance of New Shares on 1 March 2019 pursuant to the IPO	26,400,000	17,276,477 ⁽¹⁾
Resultant issued and paid-up share capital immediately after the IPO	134,225,000	47,745,428

Note:

(1) Based on the exchange rate of S\$1:RM2.9746 which was the RHB bank rate on 1 March 2019.

The Company did not have any outstanding convertibles, treasury shares or subsidiary holdings as at 31 December 2018 and 31 December 2017.

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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 2018	At 31 December 2017
Total number of issued shares excluding treasury shares	21,457,000 ⁽¹⁾	N.A. ⁽²⁾

Notes:

(1) As set out in section 1(d)(ii) above, pursuant to the share split exercise and the issuance of the 26,940,000 new shares after 31 December 2018 in connection with the IPO, the issued and paid-up share capital of the Company as at the date of this announcement is 134,225,000 shares.

(2) Not applicable as the Company was incorporated on 8 March 2018.

The Company did not have any treasury shares as at 31 December 2018 and 31 December 2017.

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.

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

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") issued by the Accounting Standards Council on 1 January 2018. SFRS(I) is a new financial reporting framework identical to the International Financial Reporting Standards. In adopting SFRS(I), the Group will be required to apply the specific transition requirements in SFRS(I) 1 First-time Adoption of International Financial Reporting Standards, and new SFRS(I), amendments to and interpretations of SFRS(I) that are effective from the same date. The Group has also concurrently applied new major accounting standards, SFRS(I) 9 Financial Instruments and SFRS(I) 15 Revenue from Contracts with Customers. The adoption of the new financial reporting framework did not have any significant impact on the financial statements of the Group.

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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.

Please refer to item 4 above.

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.

	FY2018 (Unaudited)	FY2017 (Audited)
Profit attributable to owners of the parent (RM)	6,051,924	1,288,329
Basic and diluted earnings per share (RM cents)	5.64	1.20
Weighted average number of ordinary shares used in the computation of basic and diluted earnings per share	107,285,000	107,280,000

The calculations of basic earnings per share for the relevant financial periods are based on the profit attributable to owners of the parent for FY2018 and FY2017 divided by the weighted average number of ordinary shares in the relevant financial periods. For comparative and illustrative purposes, the weighted average number of ordinary shares for FY2018 and FY2017 was based on the total number of ordinary shares in issue of 107,285,000 shares and 107,280,000 shares respectively, which 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 each of FY2018 and FY2017.

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⁽¹⁾
	As at 31 December 2018	As at 31 December 2017	As at 31 December 2018
	(Unaudited)	(Audited)	(Unaudited)
Net asset value ("NAV") (RM)	34,116,948	21,449,495	30,008,136
Number of ordinary shares in issue ⁽²⁾	107,285,000	107,280,000	107,285,000
NAV per ordinary share (RM cents)	31.80	19.99	27.97

Notes:

- (1) There is no comparative statement as at the end of the immediately preceding financial year (as at 31 December 2017) for the Company as the Company was incorporated on 8 March 2018.
- (2) The number of ordinary shares in issue used in the computation of NAV per ordinary share as at 31 December 2018 and 2017 has 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 as at 31 December 2018 and 2017.

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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 increased by 119% or RM11.54 million, from RM9.68 million in FY2017 to RM21.22M in FY2018. This was mainly attributable to (i) revenue contribution from a full year of operation of ESCAPE Waterplay in FY2018, as compared to approximately one-month of operation in FY2017 when ESCAPE Waterplay commenced operations in November 2017; (ii) higher number of visitors in FY2018 as the number of visitors to the themeparks increased approximately 65% to 185,000 in FY2018; and (iii) higher ticket price following the opening of the ESCAPE Waterpark.

Cost of sales

Cost of sales increased by 72% or RM3.66 million, from RM5.06 million in FY2017 to RM8.72 million in FY2018. The increase was mainly due to additional costs incurred in running an additional new theme park (ESCAPE Waterplay) in FY2018, in line with the increase in revenue.

Gross profit

Gross profit increased by 170% or RM7.87 million, from RM4.63 million in FY2017 to RM12.50 million in FY2018, with gross profit margin improving from 48% in FY2017 to 59% in FY2018. The improvement was mainly due to greater economies of scale, in view of the fact that a majority of the cost of sales, such as depreciation and staff cost, are non-variable costs.

Other income

Other income increased by 115% or RM0.01 million, from RM0.01 million in FY2017 to RM0.02 million in FY2018. Other income in FY2018 related mainly to the write off of aging suppliers.

Administrative expenses

Administrative expenses remained relatively stable, with a small increase of 2% or RM0.07 million, from RM2.74 million in FY2017 to RM2.81 million in FY2018.

Finance costs

Finance costs increased by 722% or RM1.35 million, from RM0.19 million in FY2017 to RM1.54 million in FY2018. This was mainly due to the interest incurred on RCPS of RM1.54 million being expensed off in FY2018, whereas the interest incurred on RCPS for FY2017 was capitalised up to November 2017 as part of project costs.

Profit before income tax

As a result of the above, profit before tax for the Group increased by 378% or RM6.46 million, from RM1.71 million in FY2017 to RM8.17 million in FY2018.

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Profit for the year

Profit after tax for the Group increased by 370% or RM4.76 million, from RM1.29 million in FY2017 to RM6.05 million in FY2018.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets, which comprised plant and equipment and deferred tax assets, increased by 9% or RM3.87 million, from RM44.88 million as at 31 December 2017 to RM48.75 million as at 31 December 2018. The increase was mainly due to construction-in-progress incurred for ESCAPE Gravityplay.

Current assets

The Group's current assets increased by 90% or RM2.86 million, from RM3.17 million as at 31 December 2017 to RM6.03 million as at 31 December 2018. This was mainly due to (i) the increase in prepayments of RM2.05 million mainly from prepaid listing expenses to be charged out in the financial year ending 31 December 2019; and (ii) the increase in cash and cash equivalents of RM0.88 million. 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

The Group's equity increased by 59% or RM12.67 million, from RM21.45 million as at 31 December 2017 to RM34.12 million as at 31 December 2018. The increase was due to the increase in retained earnings of RM6.05 million and issuance of new ordinary shares of RM30.11 million pursuant to the Restructuring Exercise during the year, partially set off by RM12.70 million to merger reserve and RM10.80 million as deemed distribution to the owners pursuant to the Restructuring Exercise during the year.

Non-current liabilities

The Group's non-current liabilities decreased by 87% or RM10.40 million, from RM12.00 million as at 31 December 2017 to RM1.60 million as at 31 December 2018. This was mainly due to the decrease in the non-current liability component of the RCPS of RM11.30 million being reclassified to current liability in FY2018 as the RCPS was due to be fully repaid by March 2019, partially offset by the increase in deferred tax liabilities of RM1.00 million.

Current liabilities

The Group's current liabilities increased by 30% or RM4.45 million, from RM14.61 million as at 31 December 2017 to RM19.06 million as at 31 December 2018. This was mainly due to the increases in the current liability component of the RCPS by RM11.38 million and current income tax payable of RM0.88 million, partially offset by the decrease in trade and other payables of RM7.65 million in FY2018, mainly due to the capitalisation of director's advances of RM6.61 million and write back of retention payables of RM0.86 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.

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Working Capital Position

The Group recorded a negative working capital of RM13.03 million as at 31 December 2018. This was due to the current liability component of the RCPS of RM15.93 million in FY2018. The RCPS was fully redeemed and any dividends accrued on the RCPS was fully repaid on 4 March 2019. Excluding the current liability component of the RCPS of RM15.93 million, the Group would have recorded a positive working capital of RM2.90 million as at 31 December 2018.

REVIEW OF THE GROUP'S CASH FLOW

Net cash generated from operating activities in FY2018 was RM9.43 million, due to operating cash flow before changes in working capital of RM12.15 million, changes in working capital of RM2.17 million and income tax paid of RM0.55 million. Changes in working capital were due to the (i) decrease in inventories of RM0.02 million; (ii) decrease in trade and other receivables of RM0.07 million; (iii) increase in prepayments of RM2.06 million mainly from prepaid listing expenses; and (iv) decrease in trade and other payables of RM0.20 million mainly from write off of retention payables.

Net cash used in investing activities in FY2018 of RM7.04 million was mainly due to the purchase of plant and equipment in relation to the construction of ESCAPE Gravityplay of RM5.40 million and purchase of other plant and equipment.

Net cash used in financing activities in FY2018 of RM1.51 million mainly related to the interest paid on the RCPS of RM1.46 million.

As a result of the above, net cash and bank balances increased by RM0.88 million, from RM0.82 million as at 1 January 2018 to RM1.70 million as at 31 December 2018.

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 FY2018 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 Company was listed on Catalist on 1 March 2019. The Company believes that the prospects for the Group's business remain positive, taking into consideration the following trends or factors: (i) increase in popularity of outdoor corporate and school teambuilding activities; (ii) increase in the number of visitors to Penang; and (iii) improvements to existing infrastructure in Penang. Please refer to the section entitled "General Information on our Group – Prospects" of the Offer Document for information on the prospects of the industry which the Group is currently operating in.

The Group will continue to focus its efforts on the opening of ESCAPE Gravityplay, the third of the ESCAPE series of theme parks in Penang, Malaysia, which is expected to be opened by the first half of 2019. The Group will also focus its efforts on (i) expanding the ESCAPE themeparks 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.

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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) Books closure date

Not applicable.

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

No dividend has been declared or recommended for FY2018 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.

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

15. Use of IPO proceeds.

The Company received gross proceeds from the IPO of approximately S\$5.81 million (the “**Gross Proceeds**”). As at the date of this announcement, the Gross Proceeds have been fully utilised as follows:

	Allocation of Gross Proceeds (as disclosed in the Offer Document) (S\$'000)	Gross Proceeds utilised as at 1 March 2019 (S\$'000)	Gross Proceeds utilised as at the date of this announcement (S\$'000)	Balance of Gross Proceeds as at the date of this announcement (S\$'000)
Redemption of RCPS	5,602	(5,602)	-	-
IPO expenses	206	-	(206)	-
Total Gross Proceeds	5,808	(5,602)	(206)	-

The above utilisation of the Gross Proceeds is in accordance with the intended use of the Gross Proceeds as set out in the Offer Document.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

16. 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.

17. 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.

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2018**

18. A breakdown of sales as follows:

Group	FY2018 RM	FY2017 RM	Increase/(Decrease) %
(a) Sales reported for first half of the financial year	8,448,215	3,587,709	135
(b) Operating profit after tax before deducting minority interests reported for first half of the financial year	2,047,545	295,171	594
(c) Sales reported for second half of the financial year	12,769,966	6,095,457	109
(d) Operating profit after tax before deducting minority interests reported for second half of the financial year	4,004,379	993,158	303

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

Not applicable. No dividend was declared or paid by the Company for its latest and previous full financial years.

20. 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

29 March 2019