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Sim Leisure Group reports a more than fourfold increase in net profit to a record RM6.1 million

- Revenue increased 119% yoy to RM21.2 million driven by all-time highs in visitor attendance and higher ticket price at the Group's ESCAPE theme parks in Penang, Malaysia
- Gross profit margin improves 11 percentage points to 59% due to greater economies of scale as a large proportion of operating costs are fixed which do not increase significantly with the increase in revenue
- The Group's latest theme park, ESCAPE Gravityplay, is expected to open by 1H2019
- Future plans include expansion of the Group's theme park operations to new geographical locations such as China and other ASEAN cities

Singapore – 29 March 2019, Sim Leisure Group Ltd. ("**Sim Leisure**" or the "**Company**", together with its subsidiaries, the "**Group**"), a theme park developer and operator based in Penang, Malaysia, announced its unaudited financial results for the full year ended 31 December 2018 ("**FY2018**").

Financial Highlights (RM '000)	FY2018	FY2017	Change (%)
Revenue	21,218	9,683	119
Gross Profit	12,497	4,627	170
Gross Profit Margin (%)	59	48	11 pts
Profit Attributable to Owners of the Parent	6,052	1,288	370
Net Profit Margin (%)	29	13	16 pts
Earnings per Share – Basic (RM cents)	5.64 ¹	1.20 ¹	370

Driven by a record number of visitors at the Group's ESCAPE theme parks in Penang, Malaysia, the Group's revenue increased 119% year-on-year ("**yoy**") to a record RM21.2 million for FY2018. The ESCAPE theme parks saw approximately 185,000 visitors in FY2018, a 65% yoy increase from the previous financial year ended 31 December 2017 ("**FY2017**"). In addition, the increase in revenue was driven by a full year's contribution of ESCAPE Waterplay, the Group's second theme park which opened in November 2017. The Group had also charged higher ticket prices since the opening of ESCAPE Waterplay.

¹ Computed based on weighted average number of ordinary shares for FY2018 and FY2017 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.

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In line with the growth in revenue, gross profit increased 170% yoy to RM12.5 million, while gross profit margin improved 11 percentage points to 59%, in FY2018. As a large portion of the Group's operating costs are fixed which do not increase significantly with the increase in revenue, the Group is able to benefit from increasing profit margins when visitor numbers increase. The majority of the Group's cost of sales are non-variable, including depreciation and staff costs.

Finance costs rose from RM0.2 million in FY2017, to RM1.5 million in FY2018. The increase was attributed mainly to the interest costs incurred on the outstanding redeemable convertible preference shares ("**RCPS**") that were issued and allotted by the Company's subsidiary, Sim Leisure Escape Sdn Bhd, to Penang Development Corporation ("**PDC**") in 2016 to fund the development of ESCAPE Waterplay. As announced by the Company on 5 March 2019, the outstanding RCPS (including any accrued dividends) had been fully redeemed. Following this redemption, the Group no longer has any debt on its balance sheet other than hire purchase borrowings of less than RM0.10 million, and will be able to enjoy savings in finance costs in this current financial year.

The Group reported a more than fourfold increase in net profit to a record RM6.1 million for FY2018. Correspondingly, the Group's net profit margin improved from 13% for FY2017 to 29% for FY2018.

As part of its future plans, the Group intends to expand into new geographical locations such as China and other ASEAN cities. In this regard, the Company had entered into a non-binding memorandum of understanding with Fei County Wonder Stone Characteristic Town Development Co., Ltd on 1 September 2018 to undertake the design and operation of a theme park in Linyi, China, marking the beginning of its international aspirations.

In addition, the Group expects the opening of its latest theme park, ESCAPE Gravityplay, by 1H2019.

Commenting on the Group's FY2018 financial results, **Mr Sim Choo Kheng, CEO of Sim Leisure**, said, *"Our record financial performance is the direct result of our disruptive, innovative and cost-competitive business model. We are solely focused on creating affordable fun for our visitors and we consistently generate more smiles per hour for everyone who visits ESCAPE."*

This is just the beginning of our global aspirations. Backed by my years of experience in the theme park industry, we will continue to scale this proven and successful business model into new markets across the region that are awaiting a new genre of affordable and healthy family entertainment."

– The End –

About Sim Leisure Group Ltd.

The Group is a well-established developer and operator of theme parks based in Penang, Malaysia. The Group's founder, Sim Choo Kheng, has more than 28 years of experience in the theming industry. The Group presently operates ESCAPE theme parks (<http://www.escape.my/>), in Penang, Malaysia and caters to both local and foreign visitors. ESCAPE Adventureplay is an outdoor adventure theme park which contains eco-friendly features and design elements reminiscent of traditional villages and pastimes in Malaysia. ESCAPE Waterplay is the first water park in Penang and also features the same eco-friendly and traditional design elements as ESCAPE Adventureplay. ESCAPE Gravityplay, which will feature a chairlift and two downhill karting tracks, is the third in the ESCAPE series of theme parks and is targeted to be launched in the first half of 2019. The ESCAPE theme parks welcomed approximately 112,000 visitors in 2017 and approximately 185,000 visitors in 2018.



ESCAPE Adventureplay was awarded the TripAdvisor Certificate of Excellence every year from 2014 to 2018, the Certificate of Merit and Winner in the category of Best Tourist Attraction (Man-Made Attraction/Theme Park) at the 19th Malaysia Tourism Awards for 2014/2015 and 20th Malaysia Tourism Awards for 2016/2017, respectively.

The Group's business model disrupts the typical mainstream business model from the West which pays hefty royalties and requires costly investments in themed structures and mechanical rides. More importantly, ESCAPE theme parks address the original pursuit of fun which comes from childhood, mischievous play with friends, and not strap-on mechanical rides.

ESCAPE theme parks re-introduce the forgotten childhood play of yesteryear to today's generation, showing that fun can be affordable. ESCAPE re-connects visitors with the nature we once lived in, co-existed with, and depended on by embracing green ideas. Currently, the ESCAPE theme parks in Penang featuring various play-centric attractions which include climbing zones, obstacle courses, vertical leap, zip lines, high dive platform and waterslides have guests re-discover their innate balance, agility, physical strength, courage, and play instincts. These are part of Sim Choo Kheng's vision of fun, environmentally-friendly, and economically viable theme parks. These also explain ESCAPE theme parks' success with corporate team building programmes and school field trips.

For more information, please visit <https://www.escape.my/>

Issued for and on behalf of Sim Leisure Group Ltd. by Financial PR

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*This press release 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 press release.*

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