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Sim Leisure Leverages on Established Reputation in Theme Park Business

Sim Leisure Group Ltd ("**Sim Leisure**" or the "**Company**", and together with its subsidiaries, the "**Group**") is pleased to announce the signing of a Cooperation Agreement (the "**Agreement**") with China-based Guangzhou Daxin Water Park Equipment Co. Ltd ("**Guangzhou Daxin**"), which marks a significant development the Group's history that will see the Company monetizing its renowned name in the theme park industry through a partnership with Guangzhou Daxin.

The Agreement will grant Guangzhou Daxin the right to use "**Sim Leisure**" as the name to secure theme park design and building contracts within China and the ASEAN region in return for a 5% royalty payment to the Company's 60%-owned subsidiary, Sim Leisure Creative Pte Ltd ("**Sim Leisure Creative**"). The remaining 40% shareholding interests in Sim Leisure Creative are held by (i) Mr. Wesley James Rae (30%), the former non-executive non-independent director of Sim Leisure; and (ii) Ms. Josie Booth (10%), who was a senior manager with the Company prior to its listing since 2013.

Founder Sim Choo Kheng of the "**Sim Leisure**" brand built his career in the theme park management consultant industry in 1993 before moving into design and contracting. Over the years, he propagated the "**Sim Leisure**" name through his involvement in over 100 major projects worldwide, including *Lost Paradise of Dilmun* in Bahrain, *Ski Egypt* in Cairo, *Legoland* in Denmark & Malaysia, *Universal Studios* in Singapore, *Aquapolis* in Bulgaria, *Motiongate Park* in Dubai and *Yas Waterworld* in Abu Dhabi.

Mr. Sim's forays in the international arena have established "**Sim Leisure**"'s brand as a renowned theme park design and contracting company with a long track record of performance and excellence.

Guangzhou Daxin is one of the biggest waterpark designers, equipment suppliers and contractors in China with a turnover of USD50 million at its peak in 2016. Founded in 2000 by Mr. Tian Gaoqi, it has a 100,000m² manufacturing facility in the Guangzhou Qingyuan Industrial Zone, China.

The potential in China is considerable based on statistics in 2017 that indicated over half a billion Chinese visited an amusement park. Amusement park spending in China is forecast to surpass US\$6 billion by 2019. This makes China the world's fastest growing market.¹ A research report on Chinese theme parks stated that 64 new parks were expected to be established between 2015 and 2020, with a total investment of about US\$24 billion.² This construction trend is set to continue as a wealth of opportunities for domestic amusement park markets are available. Domestic tourism continues to become more popular in China, as it serves as a symbol of national urban development for many Chinese cities.

¹ Daxue Consulting, 13 November 2018 (<https://daxueconsulting.com/china-worlds-largest-amusement-park-industry/>)

² China Daily, 29 December 2016 (https://www.chinadaily.com.cn/china/2016-12/29/content_27810155.htm)

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The signing of the Agreement represents the synergy between the international experience in designing & building theme parks by Mr. Sim via the "Sim Leisure" brand and Guangzhou Daxin's manufacturing capacity & local knowledge of the Chinese and ASEAN markets. It will also allow the "Sim Leisure" brand to leverage on its solid reputation to earn a steady recurring income from goodwill built over the years of etching its name in the industry.

Mr. Sim said "I have put in blood, sweat and tears over the decades to build this business to the point of being recognized as the only renowned theme park design & contractor from Asia. I have waited for the right moment to enter China and the ASEAN market. We are ready for the next stage of growth with our new partner Guangzhou Daxin Group, capitalizing on our common business philosophy of providing Asian business economics with a global approach in our creativity."

Wilson Wu, CEO of Guangzhou Daxin said, *"We see an increasing demand for world-class design and execution of theme parks in China, which in the past had to rely on foreign expertise. Teaming up with Sim Leisure Group means Guangzhou Daxin is now an international theme park solution provider operating locally, which gives us a tremendous competitive edge. We are very excited to tap into this booming market."*



Pictured: Mr. Sim Choo Kheng
(Founder & CEO of the Group)

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Pictured left to right: Mr. Wilson Wu (CEO of Guangzhou Daxin), Mr. Sim Choo Kheng (Founder & CEO of the Group), Mr. Wesley Rae (Director of Sim Leisure Creative) and Mr. Tian Gaoqi (Chairman of Guangzhou Daxin Group)

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Pictured: La Mer Water Park, Dubai



Pictured: Egypt Zone at Universal Studios, Singapore

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Pictured: Ski Egypt, Cairo



Pictured: Legoland Hotel, Malaysia



Pictured: Motiongate Park, Dubai

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About Sim Leisure Group Ltd

Singapore-listed Sim Leisure 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 30 years of experience in the theme park industry, having built and managed theme parks across the globe. Mr Sim's successful development footprint spans the Middle East, Europe and Asia, and includes *The Lost Paradise of Dilmun* in Bahrain, *Bollywood Theme Park* in Dubai, *Yas Waterworld* in Abu Dhabi, *Ski Egypt* in Cairo, *Ski Dubai*, the *Motiongate Theme Park* in Dubai, *Aquapolis* in Bulgaria, *Ulyanovsk Park* in Russia, and the *Egypt and Jurassic Park zones of Universal Studios Singapore*.

The Group started investing and building the ESCAPE brand (www.escape.my) in Penang, and is establishing another showcase indoor theme park known as ESCAPE Challenge in Petaling Jaya, Malaysia. This 'low tech-high fun' blueprint has contributed to the current 7-year profit track record. The winning formula will be replicated in big population demographics across Asia as part of Sim Leisure's growth strategy.

The ESCAPE Park in Penang holds the current Guinness World Records' longest inner tube water slide at 1,111 metres and has also been ranked no. 1 theme park in Malaysia by TripAdvisor since 2015. ESCAPE Penang was the Winner of the 20th Malaysia Tourism Awards for 2016/2017 in the category of Best Tourist Attraction (Man-Made Attraction/Theme Park).

The Group's innovative business model disrupts the longstanding industry practice of mismatching ticket prices to local purchasing power, huge capital expenditure and exorbitant royalties. Sim Leisure Group believes strongly in socially responsible investing and is changing the game through partnering with real estate developers or local governments to not only deliver results but also positively enhance the local economy.

Sim Leisure Group's success can be seen with the ESCAPE brand, which provides quality outdoor fun to the masses with a rapid return on investment.

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"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

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

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