

## UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 JUNE 2019

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*This announcement has been prepared by Sim Leisure Group Ltd. (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

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

*The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.*

### **Background**

Sim Leisure Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) was listed on the Catalist 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 Catalist. 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 half year ended 30 June 2019 (“**1H FY2019**”) and the comparative results of the Group for the half year ended 30 June 2018 (“**1H FY2018**”) have been prepared on the assumption that the Group’s structure pursuant to the Restructuring Exercise had been in place since 1 January 2017.

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
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**PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|                                                                                                                | <b>Group</b>                           |                                        |                                  |
|----------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|----------------------------------|
|                                                                                                                | <b>1HFY2019<br/>RM<br/>(Unaudited)</b> | <b>1HFY2018<br/>RM<br/>(Unaudited)</b> | <b>Increase/(Decrease)<br/>%</b> |
| <b>Revenue</b>                                                                                                 | 8,526,560                              | 8,448,215                              | 1                                |
| <b>Cost of sales</b>                                                                                           | (4,077,298)                            | (3,816,016)                            | 7                                |
| <b>Gross profit</b>                                                                                            | 4,449,262                              | 4,632,199                              | (4)                              |
| Other income, net                                                                                              | 1,050                                  | 379,402                                | (100)                            |
| Administrative expenses                                                                                        | (2,735,017)                            | (1,510,493)                            | 81                               |
| Finance costs                                                                                                  | (84,544)                               | (772,111)                              | (89)                             |
| <b>Profit from operations before income tax</b>                                                                | 1,630,751                              | 2,728,997                              | (40)                             |
| IPO expenses                                                                                                   | (3,994,062)                            | -                                      | n.m.                             |
| <b>(Loss)/Profit before income tax</b>                                                                         | (2,363,311)                            | 2,728,997                              | n.m.                             |
| Income tax expense                                                                                             | (427,971)                              | (681,452)                              | (37)                             |
| <b>(Loss)/Profit for the financial period representing total comprehensive income for the financial period</b> | (2,791,282)                            | 2,047,545                              | n.m.                             |
| <b>(Loss)/Profit and total comprehensive (loss)/income attributable to owners of the parent</b>                | (2,791,282)*                           | 2,047,545                              | n.m.                             |

n.m. – not meaningful

\* Excluding the one-off IPO related expenses of RM3.99 million in 1HFY2019 ("**IPO Expenses**"), the profit after tax for the Group in 1HFY2019 would have been RM1.20 million. Excluding the IPO Expenses as well as expenses incurred by the ultimate holding company to maintain listing status on SGX (comprising directors' fees, audit fees, sponsorship and other compliance fees) of RM0.73 million in 1HFY2019, the profit after tax generated purely from the Group's operations of the theme parks in 1HFY2019 would have been RM1.93 million.

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

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

|                                                            | 1HFY2019<br>RM<br>(Unaudited) | Group<br>1HFY2018<br>RM<br>(Unaudited) | Increase/(Decrease)<br>% |
|------------------------------------------------------------|-------------------------------|----------------------------------------|--------------------------|
| Depreciation of plant and equipment                        | (1,231,646)                   | (1,205,382)                            | 2                        |
| Depreciation of right-of-use ("ROU") assets <sup>(1)</sup> | (110,301)                     | -                                      | n.m.                     |
| Finance costs <sup>(2)</sup>                               | (84,544)                      | (772,111)                              | (89)                     |
| Legal and professional fees <sup>(3)</sup>                 | (478,783)                     | (220,163)                              | 117                      |
| Operating lease expenses <sup>(4)</sup>                    | (57,510)                      | (166,266)                              | (65)                     |
| Staff costs <sup>(5)</sup>                                 | (2,686,798)                   | (1,621,305)                            | 66                       |
| Other income                                               | 1,277                         | 379,402                                | (100)                    |
| Loss on disposal of plant and equipment <sup>(6)</sup>     | (227)                         | -                                      | n.m.                     |
| Share based payment for IPO consultancy expenses           | (1,328,829)                   | -                                      | n.m.                     |
| Other IPO expenses                                         | (2,665,233)                   | -                                      | n.m.                     |
| Foreign exchange gain                                      | 7,167                         | 2,980                                  | 141                      |

n.m. – not meaningful

**Notes:**

- (1) Depreciation of ROU assets was due to the adoption of SFRS(I) 16 by the Group in 1HFY2019.
- (2) The decrease in finance costs was mainly due to lower interest expense in respect of the redeemable convertible preference shares ("RCPS") as the RCPS were fully redeemed in March 2019.
- (3) The increase in legal and professional fees was mainly due to the additional costs (audit fees, sponsorship and other compliance fees) in respect of the holding company, in 1HFY2019.
- (4) The decrease in operating lease expenses was mainly due to operating lease for land being taken up as depreciation for ROU asset and finance cost pursuant to the adoption of SFRS(I) 16 in 1HFY2019, partially offset by additional rental expenses incurred for accommodation for certain staff of the theme parks and additional rental expenses of equipment, in 1HFY2019.
- (5) The increase in staff costs was mainly due to additional headcount for the theme parks, and increase in the remuneration of the executive directors and directors' fees incurred for the independent directors.
- (6) This relates to the sale of motor vehicle in 1HFY2019.

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**1(b)(i) A statement of financial position (for the issuer and the group) together with a comparative statement as at the end of the immediately preceding financial year.**

|                                                              | <b>Group</b>        |                         | <b>Company</b>      |                         |
|--------------------------------------------------------------|---------------------|-------------------------|---------------------|-------------------------|
|                                                              | <b>30 June 2019</b> | <b>31 December 2018</b> | <b>30 June 2019</b> | <b>31 December 2018</b> |
|                                                              | <b>RM</b>           | <b>RM</b>               | <b>RM</b>           | <b>RM</b>               |
|                                                              | <b>(Unaudited)</b>  | <b>(Audited)</b>        | <b>(Unaudited)</b>  | <b>(Audited)</b>        |
| <b>ASSETS</b>                                                |                     |                         |                     |                         |
| <b>Non-current assets</b>                                    |                     |                         |                     |                         |
| Plant and equipment                                          | 53,023,470          | 48,677,020              | -                   | -                       |
| Right of use assets                                          | 5,181,848           | -                       | -                   | -                       |
| Investment in subsidiaries                                   | -                   | -                       | 46,441,008          | 30,112,569              |
| Deferred tax assets                                          | 69,700              | 69,700                  | -                   | -                       |
|                                                              | <u>58,275,018</u>   | <u>48,746,720</u>       | <u>46,441,008</u>   | <u>30,112,569</u>       |
| <b>Current assets</b>                                        |                     |                         |                     |                         |
| Inventories                                                  | 30,170              | 115,726                 | -                   | -                       |
| Trade and other receivables                                  | 1,746,527           | 1,130,659               | -                   | -                       |
| Prepayments                                                  | 621,901             | 3,074,675               | 130,365             | 285,670                 |
| Cash and bank balances                                       | 3,017,424           | 1,704,437               | 622,548             | 3,000                   |
|                                                              | <u>5,416,022</u>    | <u>6,025,497</u>        | <u>752,913</u>      | <u>288,670</u>          |
| <b>Total assets</b>                                          | <u>63,691,040</u>   | <u>54,772,217</u>       | <u>47,193,921</u>   | <u>30,401,239</u>       |
| <b>EQUITY AND LIABILITIES</b>                                |                     |                         |                     |                         |
| <b>Equity</b>                                                |                     |                         |                     |                         |
| Share capital                                                | 46,292,679          | 30,115,569              | 46,292,679          | 30,115,569              |
| Equity component of redeemable convertible preference shares | -                   | 275,112                 | -                   | -                       |
| Merger reserve                                               | (12,700,040)        | (12,700,040)            | -                   | -                       |
| Capital reserve                                              | 1,328,829           | -                       | 1,328,829           | -                       |
| Retained earnings/(Accumulated losses)                       | 13,635,025          | 16,426,307              | (4,832,271)         | (107,433)               |
| <b>Total equity</b>                                          | <u>48,556,493</u>   | <u>34,116,948</u>       | <u>42,789,237</u>   | <u>30,008,136</u>       |
| <b>Non-current liabilities</b>                               |                     |                         |                     |                         |
| Lease liabilities                                            | 5,061,981           | 29,257                  | -                   | -                       |
| Borrowings                                                   | 4,939,718           | -                       | -                   | -                       |
| Deferred tax liabilities                                     | 1,569,434           | 1,569,434               | -                   | -                       |
|                                                              | <u>11,571,133</u>   | <u>1,598,691</u>        | <u>-</u>            | <u>-</u>                |

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
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|                                                                       | Group             |                   | Company           |                   |
|-----------------------------------------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                                                       | 30 June 2019      | 31 December 2018  | 30 June 2019      | 31 December 2018  |
|                                                                       | RM                | RM                | RM                | RM                |
|                                                                       | (Unaudited)       | (Audited)         | (Unaudited)       | (Audited)         |
| <b>Current liabilities</b>                                            |                   |                   |                   |                   |
| Trade and other payables                                              | 1,717,031         | 2,243,045         | 4,404,684         | 393,103           |
| Lease liabilities                                                     | 174,625           | 50,473            | -                 | -                 |
| Borrowings                                                            | 748,082           | -                 | -                 | -                 |
| Liability component of<br>redeemable convertible<br>preference shares | -                 | 15,928,192        | -                 | -                 |
| Current income tax payable                                            | 923,676           | 834,868           | -                 | -                 |
|                                                                       | <u>3,563,414</u>  | <u>19,056,578</u> | <u>4,404,684</u>  | <u>393,103</u>    |
| <b>Total liabilities</b>                                              | <u>15,134,547</u> | <u>20,655,269</u> | <u>4,404,684</u>  | <u>393,103</u>    |
| <b>Total equity and liabilities</b>                                   | <u>63,691,040</u> | <u>54,772,217</u> | <u>47,193,921</u> | <u>30,401,239</u> |

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**1(b)(ii) Aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

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

| As at 30 June 2019<br>(RM) |           | As at 31 December 2018<br>(RM) |           |
|----------------------------|-----------|--------------------------------|-----------|
| Secured                    | Unsecured | Secured                        | Unsecured |
| 773,583                    | -         | 15,978,665                     | -         |

**Amount repayable after one year**

| As at 30 June 2019<br>(RM) |           | As at 31 December 2018<br>(RM) |           |
|----------------------------|-----------|--------------------------------|-----------|
| Secured                    | Unsecured | Secured                        | Unsecured |
| 4,968,975                  | -         | 29,257                         | -         |

**Details of any collateral**

As at 30 June 2019, the Group's borrowings comprised a term loan and finance leases. As at 31 December 2018, the Group's borrowings comprised finance leases and RCPS.

The finance leases are secured by the leased assets (such as motor vehicle and kiosk) under finance lease arrangements and supported by personal guarantees from certain Directors of the Company.

The term loan is secured by a general debenture, corporate guarantees from the Company and its subsidiaries, as well as personal guarantee from a Director of the Company.

RCPS were secured by all the ordinary shares in the Company's wholly-owned subsidiary, Sim Leisure Escape Sdn. Bhd., under the investment agreement. The RCPS were fully redeemed in March 2019.

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**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

|                                                           | <b>Group</b>       |                    |
|-----------------------------------------------------------|--------------------|--------------------|
|                                                           | <b>1HFY2019</b>    | <b>1HFY2018</b>    |
|                                                           | <b>RM</b>          | <b>RM</b>          |
|                                                           | <b>(Unaudited)</b> | <b>(Unaudited)</b> |
| <b>Operating activities</b>                               |                    |                    |
| (Loss)/Profit before income tax                           | (2,363,311)        | 2,728,997          |
| Adjustments for:                                          |                    |                    |
| Depreciation of plant and equipment                       | 1,231,646          | 1,205,382          |
| Depreciation of ROU assets                                | 110,301            | -                  |
| Payables written off                                      | -                  | (372,276)          |
| Loss on disposal of plant and equipment                   | 227                | -                  |
| Share based payment for IPO consultancy expenses          | 1,328,829          | -                  |
| Interest expense                                          | 84,544             | 772,111            |
| Operating cash flows before working capital changes       | 392,236            | 4,334,214          |
| Working capital changes:                                  |                    |                    |
| Inventories                                               | 85,555             | 106,750            |
| Trade and other receivables                               | (679,245)          | 125,036            |
| Prepayments                                               | 2,452,774          | 194,717            |
| Trade and other payables                                  | (396,312)          | (1,922,963)        |
| Cash generated from operations                            | 1,855,008          | 2,837,754          |
| Income tax paid                                           | (339,163)          | (122,796)          |
| Net cash from operating activities                        | 1,515,845          | 2,714,958          |
| <b>Investing activities</b>                               |                    |                    |
| Purchase of plant and equipment                           | (5,581,322)        | (2,667,995)        |
| Proceeds from disposal of plant and equipment             | 3,000              | -                  |
| Net cash used in investing activities                     | (5,578,322)        | (2,667,995)        |
| <b>Financing activities</b>                               |                    |                    |
| Proceeds from issuance of ordinary shares                 | 17,276,477         | 3,000              |
| Share issue expenses                                      | (1,099,367)        | -                  |
| Proceeds from borrowings                                  | 5,937,161          | -                  |
| Repayment of redeemable convertible preference shares     | (16,000,000)       | -                  |
| Interest paid on redeemable convertible preference shares | (308,164)          | (724,515)          |
| Repayment of lease liabilities                            | (178,306)          | (21,848)           |
| Repayment of borrowings                                   | (249,361)          | -                  |
| Interest paid                                             | (2,976)            | (3,082)            |
| Deposits pledged                                          | (476,481)          | -                  |
| Advances from a director of the Company                   | -                  | 646,422            |
| Net cash from/(used in) financing activities              | 4,898,983          | (100,023)          |

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|                                                       | Group       |             |
|-------------------------------------------------------|-------------|-------------|
|                                                       | 1HFY2019    | 1HFY2018    |
|                                                       | RM          | RM          |
|                                                       | (Unaudited) | (Unaudited) |
| Net change in cash and bank balances                  | 836,506     | (53,060)    |
| Cash and bank balances at beginning of financial year | 1,704,437   | 818,738     |
| Cash and bank balances at end of financial period     | 2,540,943   | 765,678     |
| <br>                                                  |             |             |
| Cash and bank balances                                | 3,017,424   | 765,678     |
| Less: Deposits pledged                                | (476,481)   | -           |
| Cash and bank balances at end of financial period     | 2,540,943   | 765,678     |

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
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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.**

| <b>Group</b>                                                                                         | <b>Share capital<br/>RM</b> | <b>Equity component of<br/>redeemable convertible<br/>preference shares<br/>RM</b> | <b>Merger reserve<br/>RM</b> | <b>Capital reserve<br/>RM</b> | <b>Retained earnings<br/>RM</b> | <b>Total equity<br/>RM</b> |
|------------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------------------------------------------------|------------------------------|-------------------------------|---------------------------------|----------------------------|
| Balance as at 1 January 2019                                                                         | 30,115,569                  | 275,112                                                                            | (12,700,040)                 | -                             | 16,426,307                      | 34,116,948                 |
| <b>Loss for the financial period, representing total comprehensive loss for the financial period</b> |                             |                                                                                    |                              |                               |                                 |                            |
| Loss for the financial period                                                                        | -                           | -                                                                                  | -                            | -                             | (2,791,282)                     | (2,791,282)                |
| Issuance of new shares pursuant to IPO                                                               | 17,276,477                  | -                                                                                  | -                            | -                             | -                               | 17,276,477                 |
| Share issue expenses                                                                                 | (1,455,767)                 |                                                                                    |                              |                               |                                 | (1,455,767)                |
| Share based payment expenses                                                                         | 356,400                     | -                                                                                  | -                            | -                             | -                               | 356,400                    |
| Redemption of redeemable convertible preference shares                                               | -                           | (275,112)                                                                          | -                            | -                             | -                               | (275,112)                  |
| Payment of IPO consultancy expenses by shares                                                        | -                           | -                                                                                  | -                            | 1,328,829                     | -                               | 1,328,829                  |
| Balance as at 30 June 2019                                                                           | 46,292,679                  | -                                                                                  | (12,700,040)                 | 1,328,829                     | 13,635,025                      | 48,556,493                 |

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**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

| <b>Group</b>                                                                                             | <b>Share<br/>capital<br/>RM</b> | <b>Equity<br/>component<br/>of<br/>redeemable<br/>convertible<br/>preference<br/>shares<br/>RM</b> | <b>Retained<br/>earnings<br/>RM</b> | <b>Total<br/>equity<br/>RM</b> |
|----------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------|
| Balance as at 1 January 2018                                                                             | 10,800,000                      | 275,112                                                                                            | 10,374,383                          | 21,449,495                     |
| <b>Profit for the financial period, representing total comprehensive income for the financial period</b> |                                 |                                                                                                    |                                     |                                |
| Profit for the period                                                                                    | -                               | -                                                                                                  | 2,047,545                           | 2,047,545                      |
| <b>Contribution by owners</b>                                                                            |                                 |                                                                                                    |                                     |                                |
| Issuance of subscriber's shares at date of incorporation of the Company                                  | 3,000                           | -                                                                                                  | -                                   | 3,000                          |
| <b>Total transactions with owners</b>                                                                    | 3,000                           | -                                                                                                  | -                                   | 3000                           |
| Balance as at 30 June 2018                                                                               | 10,803,000                      | 275,112                                                                                            | 12,421,928                          | 23,500,040                     |

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| <b><u>Company</u></b>                                                                                          | <b>Share capital<br/>RM</b> | <b>Capital reserve<br/>RM</b> | <b>Accumulated losses<br/>RM</b> | <b>Total equity<br/>RM</b> |
|----------------------------------------------------------------------------------------------------------------|-----------------------------|-------------------------------|----------------------------------|----------------------------|
| Balance as at 1 January 2019                                                                                   | 30,115,569                  | -                             | (107,433)                        | 30,008,136                 |
| <b>Loss for the financial period,<br/>representing total comprehensive<br/>income for the financial period</b> | -                           | -                             | (4,724,838)                      | (4,724,838)                |
| Issuance of new shares pursuant to<br>IPO                                                                      | 17,276,477                  | -                             | -                                | 17,276,477                 |
| Share issue expenses                                                                                           | (1,455,767)                 | -                             | -                                | (1,455,767)                |
| Share based payment expenses                                                                                   | 356,400                     | -                             | -                                | 356,400                    |
| Payment of IPO consultancy<br>expenses by shares                                                               | -                           | 1,328,829                     | -                                | 1,328,829                  |
| Balance as at 30 June 2019                                                                                     | 46,292,679                  | 1,328,829                     | (4,832,271)                      | 42,789,237                 |

| <b><u>Company</u></b>                                                             | <b>Share capital<br/>RM</b> | <b>Accumulated losses<br/>RM</b> | <b>Total equity<br/>RM</b> |
|-----------------------------------------------------------------------------------|-----------------------------|----------------------------------|----------------------------|
| Balance as at 8 March 2018 (being<br>the date of incorporation of the<br>Company) | 3,000                       | -                                | 3,000                      |
| <b>Total comprehensive income<br/>for the financial period:</b>                   |                             |                                  |                            |
| Profit/(Loss) for the financial<br>period                                         | -                           | -                                | -                          |
| Balance as at 30 June 2018                                                        | 3,000                       | -                                | 3,000                      |

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE  
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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<br>(RM) |
|--------------------------------------------------------------------------------------------------------------|------------------|------------------------------------------|
| Balance as at 1 January 2019                                                                                 | 21,457,000       | 30,115,569                               |
| Adjusted for a share split exercise for 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          | 356,400                                  |
| Issuance of new shares on 1 March 2019 pursuant to the IPO (net of IPO expenses capitalized)                 | 26,400,000       | 15,820,710                               |
| Balance as at 30 June 2019                                                                                   | 134,225,000      | 46,292,679                               |

The Company did not have any outstanding convertibles, treasury shares or subsidiary holdings as at 30 June 2019 and 30 June 2018.

**1d(iii) To show the total number of issued shares excluding treasury shares as at the end of current financial period and as at the end of the immediately preceding year.**

|                                                         | At 30 June 2019 | At 31 December 2018 |
|---------------------------------------------------------|-----------------|---------------------|
| Total number of issued shares excluding treasury shares | 134,225,000     | 21,457,000          |

The Company did not have any treasury shares as at 30 June 2019 and 31 December 2018.

**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.

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**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.**

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the audited financial statements for the year ended 31 December 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group has adopted new Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and interpretations effective for the financial period beginning 1 January 2019 as follows:

**SFRS(I) 16 Leases**

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for leases. A lessee recognizes a right-of-use ("**ROU**") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Lessor accounting remains similar to the current standard whereby lessors continue to classify leases as finance or operating lease.

The Group recognizes its existing operating lease arrangements where the Group is a lessee as ROU assets with corresponding lease liabilities and measure lease liabilities by applying a single discount rate to its portfolio of leases.

The Group applied the practical expedient to recognize amounts of ROU assets equal to its lease liabilities for the financial period and recognition exemptions for short-term leases and leases of low value items in accordance with the principles of SFRS(I) 16.

The nature of expenses related to those leases will change as the principles under SFRS (I)16 replaces the straight-line operating lease expense with depreciation charge for ROU assets, and interest expense on lease liabilities.

The impact of the leases on the Group's financial statements for the financial period arising from the adoption of the principles of SFRS(I) 16 is as follows:

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|                               | <b>Group<br/>30 June 2019<br/>RM'000</b> |
|-------------------------------|------------------------------------------|
| Increase in ROU assets        | 5,182                                    |
| Increase in lease liabilities | 5,182                                    |

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

|                                                                                                                   | <b>1HFY2019<br/>(Unaudited)</b> | <b>1HFY2018<br/>(Unaudited)</b> |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------|---------------------------------|
| (Loss)/Profit attributable to owners of the parent (RM)                                                           | (2,971,282)                     | 2,047,545                       |
| Basic and diluted (loss)/earnings per share (RM cents)                                                            | (2.37)                          | 1.91                            |
| Weighted average number of ordinary shares used in the computation of basic and diluted (loss)/earnings per share | 125,443,543                     | 107,285,000                     |

The calculations of basic (loss)/earnings per share for the relevant financial periods are based on the (loss)/profit attributable to owners of the parent for 1HFY2019 and 1HFY2018, respectively, 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 1HFY2019 and 1HFY2018 was based on the total number of ordinary shares in issue of 125,443,543 shares and 107,285,000 shares respectively, of which the 1HFY2018 shares 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 1HFY2018. The diluted (loss)/earnings per share for the relevant financial periods are the same as the basic (loss)/earnings per share as the Group does not have any dilutive instruments.

**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.**

|                                                   | <b>Group</b>                  |                                   | <b>Company</b>                |                                   |
|---------------------------------------------------|-------------------------------|-----------------------------------|-------------------------------|-----------------------------------|
|                                                   | <b>As at 30 June<br/>2019</b> | <b>As at 31<br/>December 2018</b> | <b>As at 30 June<br/>2019</b> | <b>As at 31<br/>December 2018</b> |
|                                                   | <b>(Unaudited)</b>            | <b>(Audited)</b>                  | <b>(Unaudited)</b>            | <b>(Audited)</b>                  |
| Net asset value ("NAV") (RM)                      | 48,556,493                    | 34,116,948                        | 42,789,237                    | 30,008,136                        |
| Number of ordinary shares in issue <sup>(1)</sup> | 134,225,000                   | 107,285,000                       | 134,225,000                   | 107,285,000                       |
| NAV per ordinary share (RM cents)                 | 36.18                         | 31.80                             | 31.88                         | 27.97                             |

**Note:**

- (1) The number of ordinary shares in issue used in the computation of NAV per ordinary share as at 31 December 2018 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.

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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 remained relatively stable in a challenging environment, with a marginal increase of 1% or RM0.08 million, from RM8.45 million in 1HFY2018 to RM8.53 million in 1HFY2019.

#### **Cost of sales**

Cost of sales increased by 7% or RM0.26 million, from RM3.82 million in 1HFY2018 to RM4.08 million in 1HFY2019. The increase was mainly due to an increase in staff cost from RM1.15 million in 1HFY2018 to RM1.38 million in 1HFY2019.

#### **Gross profit**

As a result of the above, gross profit decreased slightly by 4% or RM0.18 million, from RM4.63 million in 1HFY2018 to RM4.45 million in 1HFY2019, with gross profit margin reducing from 54.8% in 1HFY2018 to 52.2% in 1HFY2019.

#### **Other income**

Other income decreased by RM0.38 million, from RM0.38 million in 1HFY2018 to a marginal value of approximately RM1,000 in 1HFY2019. Other income in 1HFY2018 relates mainly to the write off of aging suppliers.

#### **Administrative expenses**

Administrative expenses increased by 81% or RM1.23 million, from RM1.51 million in 1HFY2018 to RM2.74 million in 1HFY2019. The increase was mainly due to (i) increase in legal and professional fees of RM0.25 million; (ii) increase in the remuneration of the executive directors and directors' fees incurred for the independent directors of RM0.33 million; and (iii) increase in administrative staff cost for the Group of RM0.44 million due to higher bonus expenses and additional headcount in 1HFY2019.

#### **Finance costs**

Finance costs decreased by 89% or RM0.69 million, from RM0.77 million in 1HFY2018 to RM0.08 million in 1HFY2019. Finance cost in 1HFY2018 comprised mainly effective interest payable on RCPS, which were fully redeemed in March 2019. Over-provision of effective interest payable on RCPS of RM0.18 million in FY2017 and FY2018 was written back in 1HFY2019.

#### **Profit from operations before income tax**

As a result of the above, the Group recorded a profit from operations before tax of RM1.63 million in 1HFY2019, as compared to a profit from operations before tax of RM2.73 million in 1HFY2018.

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### **IPO expenses**

The Group expensed off RM3.99 million in IPO related expenses in 1HFY2019.

### **Profit/(Loss) for the year**

The Group recorded a loss after tax of RM2.79 million in 1HFY2019, as compared to a profit after tax of RM2.05 million in 1HFY2018. Excluding the one-off IPO related expenses of RM3.99 million, the Group would have made a profit after tax of RM1.20 million in 1HFY2019.

Comparing the operational performance of the theme parks for 1HFY2019 and 1HFY2018, excluding the one-off IPO related expenses of RM3.99 million and the expenses incurred by the ultimate holding company to maintain listing status on SGX (comprising directors' fees, audit fees, sponsorship and other compliance fees) of RM0.73 million in 1HFY2019, as well as the one-off write off of aging suppliers of RM0.37 million in 1HFY2018, the Group would have recorded a profit after tax generated purely from its operations of the theme parks of RM1.93 million in 1HFY2019, as compared to RM1.68 million in 1HFY2018, achieving an increase of RM0.25 million period-on-period.

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

### **Non-current assets**

Non-current assets, which comprised plant and equipment, ROU assets and deferred tax assets, increased by 20% or RM9.53 million, from RM48.75 million as at 31 December 2018 to RM58.28 million as at 30 June 2019. The increase was mainly due to construction-in-progress incurred for ESCAPE Gravityplay of RM5.58 million and recognition of ROU assets for leases of RM5.18 million.

### **Current assets**

Current assets decreased by 10% or RM0.61 million, from RM6.03 million as at 31 December 2018 to RM5.42 million as at 30 June 2019. This was mainly due to a decrease in prepayments of RM2.45 million mainly from prepaid listing expenses charged out during the financial period, partially offset by (i) an increase in trade and other receivables of RM0.61 million mainly due to higher credit sales for 1HFY2019 and deposits paid by the Group in respect of a new project, ESCAPE Challenge, its first indoor sports recreational centre located at the iconic Paradigm Mall in Petaling Jaya, Malaysia; and (ii) an increase in cash and cash equivalents of RM1.31 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**

Equity increased by 42% or RM14.44 million, from RM34.12 million as at 31 December 2018 to RM48.56 million as at 30 June 2019. The increase was due to new shares issued in relation to the IPO of RM16.18 million and RM1.33 million to capital reserve as recognition of share-based payment for IPO expense, partially set off by reduction in retained earnings and repayment of RCPS of RM3.06 million.

### **Non-current liabilities**

Non-current liabilities increased by 624% or RM9.97 million, from RM1.60 million as at 31 December 2018 to RM11.57 million as at 30 June 2019. This was mainly due to an increase of lease liabilities of RM5.06 million in relation to ROU assets, and an increase in the non-current portion of a loan obtained in 1HFY2019 of RM4.94 million.

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### **Current liabilities**

Current liabilities decreased by 81% or RM15.50 million, from RM19.06 million as at 31 December 2018 to RM3.56 million as at 30 June 2019. This was mainly due to the full redemption of RCPS of RM15.93 million, partially offset by an increase in the current portion of a loan obtained in 1HFY2019 of RM0.75 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.

### **Working Capital Position**

The Group recorded a positive working capital of RM1.85 million as at 30 June 2019.

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

Net cash generated from operating activities in 1HFY2019 was RM1.52 million, due to operating cash flow before changes in working capital of RM0.39 million, changes in working capital of RM1.46 million and income tax paid of RM0.34 million. Changes in working capital were due to the (i) decrease in inventories of RM0.09 million; (ii) increase in trade and other receivables of RM0.68 million; (iii) decrease in prepayments of RM2.45 million mainly from prepaid listing expenses charged out; and (iv) decrease in trade and other payables of RM0.40 million.

Net cash used in investing activities in 1HFY2019 of RM5.58 million was mainly due to the purchase of plant and equipment in relation to the construction of ESCAPE Gravityplay.

Net cash from financing activities in 1HFY2019 of RM4.90 million was mainly from the net proceeds from issuance of new ordinary shares for the IPO of RM16.18 million and proceeds from a term loan of RM5.94 million, partially offset by (i) repayment of RCPS of RM16.00 million; (ii) payment of interest incurred on RCPS of RM0.31 million; (iii) deposits pledged of RM0.48 million; and (iv) repayment of term loan RM0.25 million.

As a result of the above, cash and bank balances increased by RM0.84 million, from RM1.70 million as at 1 January 2019 to RM2.54 million as at 30 June 2019.

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

Not applicable. No forecast has been previously disclosed to shareholders.

### **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group expects to launch ESCAPE Gravityplay, the third of the ESCAPE series of theme parks in Penang, Malaysia, by end September 2019, in conjunction with the launch of the world's longest tube slide by Guinness World Record.

The Group will also focus its efforts on (i) expanding the ESCAPE theme parks locally, 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. On this front, the Group has signed an agreement to build and operate ESCAPE Challenge, its first indoor sports recreational centre located at the iconic Paradigm Mall in Petaling Jaya, Malaysia.

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**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 1HFY2019 as the Group incurred losses in the period.

**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.

**BY ORDER OF THE BOARD**

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

**Silviya Georgieva Georgieva**  
Executive Director

**14 August 2019**