

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

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2020**

*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.

**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.

	Group		
	FY2020	FY2019	Increase/ (Decrease)
	RM	RM	%
	(Unaudited)	(Audited)	
Revenue	9,845,986	21,859,615	(55)
Cost of sales	(9,789,713)	(8,627,871)	13
Gross profit	56,272	13,231,744	(99.6)
Other income	17,857,437	13,270	> 1,000
Administrative expenses	(7,726,526)	(10,742,434)	(28)
Finance costs	(1,321,033)	(395,915)	234
Profit before income tax	8,866,151	2,106,665	321
Income tax expense	(729,141)	(1,876,089)	(61)
Profit for the financial year, representing total comprehensive income for the financial year	8,137,009	230,576	> 1,000
Profit/(Loss) and total comprehensive income/(loss) attributable to:			
- Owners of the parent	8,179,815	234,891	> 1,000
- Non-controlling interests	(42,806)	(4,315)	892
Profit for the financial year, representing total comprehensive income for the financial year	8,137,009	230,576	> 1,000

n.m. – not meaningful

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1(a)(ii) Notes to combined statements of comprehensive income

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

	Group		
	FY2020	FY2019	Increase / (Decrease)
	RM	RM	%
	(Unaudited)	(Audited)	
Depreciation of plant and equipment ⁽¹⁾	(2,957,608)	(2,216,643)	138
Amortisation of right-of-use assets ⁽²⁾	(662,674)	(224,074)	834
<i>Other income</i>			
(i) Gain on bargain purchase on business combination	16,693,965	-	n.m.
(ii) Government wage subsidy	178,800	-	n.m.
(iii) Waiver of leasehold debt	751,401	-	n.m.
(iv) Gain on disposal of business operation	118,500	-	n.m.
(v) Bad debt recovered	31,650	-	n.m.
Finance costs ⁽³⁾	(1,321,033)	(395,915)	234
Legal and professional fees ⁽⁴⁾	(1,471,717)	(1,170,149)	26
Staff costs ⁽⁵⁾	(5,571,213)	(5,696,242)	(2)
Share based payment for IPO	-	(1,328,829)	(100)
Other IPO expenses	-	(2,665,233)	(100)
Plant and equipment written off	-	9,178	(100)
Loss on disposal of motor vehicles	-	227	(100)
Allowance for impairment on third parties trade receivables ⁽⁶⁾	42,137	-	n.m.
Amortisation of intangible asset	10,848	-	n.m.

n.m. – not meaningful

Notes:

- (1) Depreciation of plant and equipment increased in FY2020 mainly due to (i) additional depreciation charges arising from additional plant and equipment from the Group's newly acquired subsidiary, Rakan Riang Sdn Bhd ("RRSB") following the completion of acquisition on 7 December 2020 ("RRSB Completion"), and (ii) additional purchases of plant and equipment during the year.
- (2) Amortisation of right-of-use assets increased in FY2020 mainly due to additional amortisation charges arising from additional right-of-use assets from RRSB following the RRSB Completion
- (3) Included in finance costs are (i) lease liability interest of RM0.93 million; and (ii) bank interest of RM0.39 million. Finance costs increased in FY2020 mainly due to additional loan drawdown for working capital purpose of the Group and higher interest rates incurred due to restructuring of a loan during the year to reduce the Group's capital repayment obligations.
- (4) Legal and professional fees increased in FY2020 mainly due to legal fees incurred in respect of the RRSB Completion.
- (5) Included in the staff costs are RM0.25 million for the December 2020 salaries of the staff of RRSB and RM0.95 million for ex-gratia payments made to the staff of RRSB. If these were excluded, staff costs would have reduced due to cost cutting measures taken by the management of the Group as well as the closure of the Group's theme parks for 4.5 months in FY2020 due to the Movement Control Order imposed by the Malaysian Government as a result of the COVID-19 pandemic.

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- (6) Relates to expected credit loss assessed on long outstanding receivables to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

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FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
	RM	RM	RM	RM
	(Unaudited)	(Restated)	(Unaudited)	(Audited)
ASSETS				
Non-current assets				
Plant and equipment	85,377,236	59,848,216	-	-
Right of use assets	31,043,144	9,613,234	-	-
Intangible assets	1,370,488	-	-	-
Investment in subsidiaries	-	-	46,459,249	46,441,008
	117,790,868	69,461,450	46,459,249	46,441,008
Current assets				
Inventories	558,348	53,020	-	-
Trade and other receivables	3,372,985	1,152,178	-	71,540
Prepayments	370,135	998,142	4,020	85,435
Cash and bank balances	7,032,952	3,008,622	3,274,158	29,312
Short-term deposits	1,044,288	1,000,000	-	-
	12,378,708	6,211,962	3,278,178	186,287
Total assets	130,169,576	75,673,412	49,737,427	46,627,295
EQUITY AND LIABILITIES				
Equity				
Share capital	55,360,320	46,292,679	55,360,320	46,292,679
Merger reserve	(12,700,040)	(12,700,040)	-	-
Capital reserve	1,324,515	1,328,829	1,328,829	1,328,829
Retained earnings / (Accumulated losses)	20,427,906	16,274,840	(7,954,670)	(5,517,535)
Equity attributable to owners of the parent	64,412,701	51,196,308	48,734,479	42,103,973
Non-controlling interests	(25,744)	395,685	-	-
Total equity	64,386,957	51,591,993	48,734,479	42,103,973

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	Group		Company	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
	RM	RM	RM	RM
	(Unaudited)	(Restated)	(Unaudited)	(Audited)
Non-current liabilities				
Lease liabilities	25,113,928	9,369,661	-	-
Borrowings	9,401,112	5,800,105	-	-
Contract liability	493,987	-	-	-
Amount due to a Director	3,550,000	-	-	-
Provision for restoration costs	4,121,672	-	-	-
Deferred tax liabilities	4,055,003	2,949,800	-	-
	<u>46,735,702</u>	<u>18,119,566</u>	<u>-</u>	<u>-</u>
Current liabilities				
Trade and other payables	10,476,160	2,341,804	1,002,948	4,523,322
Lease liabilities	2,506,070	296,935	-	-
Borrowings	3,235,393	2,442,282	-	-
Contract liability	1,045,299	545,913	-	-
Amount due to a Director	1,783,995	4,900	-	-
Current income tax payable	-	330,019	-	-
	<u>19,046,917</u>	<u>5,961,853</u>	<u>1,002,948</u>	<u>4,523,322</u>
Total liabilities	<u>65,782,619</u>	<u>24,081,419</u>	<u>1,002,948</u>	<u>4,523,322</u>
Total equity and liabilities	<u>130,169,576</u>	<u>75,673,412</u>	<u>49,737,427</u>	<u>46,627,295</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 31 December 2020 (RM)		As at 31 December 2019 (Restated) (RM)	
Secured	Unsecured	Secured	Unsecured
5,019,388	-	2,442,282	-

Amount repayable after one year

As at 31 December 2020 (RM)		As at 31 December 2019 (Restated) (RM)	
Secured	Unsecured	Secured	Unsecured
12,951,112	-	5,800,105	-

Details of any collateral

As at 31 December 2020, the Group's borrowings comprised overdrafts, term loans, and amount due to a Director. As at 31 December 2019, the Group's borrowings comprised overdrafts and term loans.

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

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
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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	
	FY2020	FY2019
	RM	RM
	(Unaudited)	(Audited)
Operating activities		
Profit before income tax	8,866,151	2,106,665
Adjustments for:		
Depreciation of plant and equipment	2,957,608	2,216,643
Amortisation of right-of-use assets	662,674	224,074
Lease liabilities interest	928,950	-
Amortisation of intangible asset	10,848	-
Gain on disposal of business operation	(118,510)	-
Plant and equipment written off	-	9,178
Loss on disposal of motor vehicles	-	227
Allowance for impairment on third parties trade receivables	42,137	-
Waiver of debt	(598,068)	-
Provision for restoration costs	15,052	-
Bad debt recovered	31,650	-
Share based payment – IPO consultancy expenses	-	1,328,829
Interest expense	390,726	395,915
Interest income	(14,000)	-
Gain on bargain purchase on business combination	(16,693,965)	-
Unrealised exchange difference	20,342	132,104
Operating cash flows before working capital changes	(3,498,405)	6,413,635
Working capital changes:		
Inventories	(505,328)	62,706
Trade and other receivables	(1,595,290)	(21,519)
Prepayments	585,470	1,896,532
Trade and other payables	9,564,237	251,963
Cash generated from operations	4,550,684	8,603,317
Income tax paid	(353,295)	(919,620)
Net cash from operating activities	4,197,389	7,683,697

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	Group	
	FY2020	FY2019
	RM	RM
	(Unaudited)	(Audited)
Investing activities		
Purchase of plant and equipment	(7,352,951)	(13,551,651)
Acquisition of subsidiary company, net of cash acquired	(2,842,830)	-
Proceeds from disposal of motor vehicles	-	3,000
Net cash used in investing activities	(10,195,781)	(13,548,651)
Financing activities		
Proceeds from issuance of ordinary shares from owners of the parent	9,067,641	17,276,477
Proceeds from issuance of ordinary shares from non-controlling interests	17,061	400,000
Share issue expenses	-	(1,099,367)
Proceeds from borrowings	5,489,476	9,074,019
Repayment of borrowings	(1,095,359)	(997,443)
Proceeds from disposal of business operations		
- shares from minority shareholders	400,000	-
- cash proceeds	770,000	-
Interest paid on redeemable convertible preference shares	-	(241,840)
Repayment of redeemable convertible preference shares	-	(16,000,000)
Repayment of obligations under leases	(178,334)	(182,562)
Dividends paid	(4,026,749)	-
Interest paid	(390,726)	(60,145)
Interest Received	14,000	-
Deposits pledged	(44,288)	(1,000,000)
Net cash from financing activities	10,022,722	7,169,139
Net change in cash and bank balances	4,024,330	1,304,185
Cash and bank balances at beginning of financial year	3,008,622	1,704,437
Cash and bank balances at end of financial year	7,032,952	3,008,622
Cash and bank balances	8,077,240	4,008,622
Less: Deposits pledged	(1,044,288)	(1,000,000)
Cash and bank balances at end of financial year	7,032,952	3,008,622

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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.

	Share capital	Merger reserve	Capital reserve	Retained earnings attributable to owners of the parent	Equity attributable to owners of the parent	Retained earnings attributable to non-controlling interests	Total equity
Group	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2020 (audited)	46,292,679	(12,700,040)	1,328,829	16,274,840	51,196,308	395,685	51,591,993
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(4,314)	8,179,815	8,175,501	(38,491)	8,137,010
Transactions with owners of parent							
Issuance of new shares pursuant to private placement	9,067,641	-	-	-	9,067,641	-	9,067,641
Dividend paid	-	-	-	(4,026,749)	(4,026,749)	-	(4,026,749)
	9,067,641	-	-	(4,026,749)	5,040,892	-	5,040,892
Transactions with non-controlling interest							
Capital contribution by a shareholder of non-controlling interests	-	-	-	-	-	17,062	17,062
Withdrawal of capital contribution by a shareholder of non-controlling interests	-	-	-	-	-	(400,000)	(400,000)
	-	-	-	-	-	(382,938)	(382,938)
Balance as at 31 December 2020 (unaudited)	55,360,320	(12,700,040)	1,324,515	20,427,906	64,412,701	(25,744)	64,386,957

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	Share capital	Equity component of RCPS	Merger reserve	Capital reserve	Retained earnings attributable to owners of the parent	Equity attributable to owners of the parent	Retained earnings attributable to non- controlling interests	Total equity
Group	RM	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2019	30,115,569	275,112	(12,700,040)	-	16,426,307	34,116,948	-	34,116,948
Prior year adjustment	-	-	-	-	(386,358)	(386,358)	-	(386,358)
Balance at 1 January 2019, as restated	30,115,569	275,112	(12,700,040)	-	16,039,949	33,730,590	-	33,730,590
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	-	234,891	234,891	(4,315)	230,576
Transactions with owners of parent								
Issuance of new shares pursuant to initial public offering exercise	17,276,477	-	-	-	-	17,276,477	-	17,276,477
Share issue expenses	(1,455,767)	-	-	-	-	(1,455,767)	-	(1,455,767)
Share-based payment expenses	356,400	-	-	-	-	356,400	-	356,400
Redemption of redeemable convertible preference shares	-	(275,112)	-	-	-	(275,112)	-	(275,112)
Payment of IPO consultancy expenses by shares	-	-	-	1,328,829	-	1,328,829	-	1,328,829
	16,177,110	(275,112)	-	1,328,829	-	17,230,827	-	17,230,827

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**Transactions
with non-
controlling
interest**

Capital
contribution by
a shareholder
of non-
controlling
interests

-	-	-	-	-	-	-	400,000	400,000
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Balance as at
31 December
2019

46,292,679	-	(12,700,040)	1,328,829	16,274,840	51,196,308	395,685	51,591,993
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**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
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	Share capital	Capital reserve	Accumulated losses	Total equity
<u>Company</u>	RM	RM	RM	RM
Balance as at 1 January 2020 (audited)	46,292,679	1,328,829	(5,517,535)	42,103,973
Profit for the financial year, representing total comprehensive income for the financial year	-	-	1,589,614	1,589,614
Issuance of new shares pursuant to public offering	9,067,641	-	-	9,067,641
Dividend paid	-	-	(4,026,749)	(4,026,749)
Balance as at 31 December 2020 (unaudited)	55,360,320	1,328,829	(7,954,670)	48,734,479

	Share capital	Capital reserve	Accumulated losses	Total equity
<u>Company</u>	RM	RM	RM	RM
Balance as at 1 January 2019 (audited)	30,115,569	-	(107,433)	30,008,136
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(5,410,102)	(5,410,102)
Issuance of new shares pursuant to initial public offering exercise	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 expenses by shares	-	1,328,829	-	1,328,829
Balance as at 31 December 2019 (audited)	46,292,679	1,328,829	(5,517,535)	42,103,973

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1(d)(ii) Details of any changes in the company's share capital arising from rights issues, bonus issues, subdivision, consolidation, 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)
Balance as at 30 June 2020 and 31 December 2020	147,647,500	55,360,320

The Company did not have any outstanding convertibles, treasury shares or subsidiary holdings as at 31 December 2020 and 31 December 2019.

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 2020	At 31 December 2019
Total number of issued shares excluding treasury shares	147,647,500	134,225,000

The Company did not have any treasury shares as at 31 December 2020 and 31 December 2019.

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.

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2019 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the auditors.

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 financial year reported on, as compared with the Company's most recently audited financial statements for the financial year ended 31 December 2019.

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 all mandatory accounting standards, amendments and interpretations that are relevant to the Group, and which are effective for the accounting period beginning or after 1 January 2020. The adoption of these accounting standards, amendments and interpretations did not have any material effect on the financial performance or position of the Group.

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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.

	FY2020 (Unaudited)	FY2019 (Audited)
Profit attributable to owners of the parent (RM)	8,179,815	234,891
Basic and diluted earnings per share (RM cents)	5.76	0.18
Weighted average number of ordinary shares used in the computation of basic and diluted earnings per share	142,054,792	129,755,833

The calculations of basic earnings per share for the relevant financial years are based on the profit attributable to owners of the parent for FY2020 and FY2019, respectively, divided by the weighted average number of ordinary shares in the relevant financial years. The weighted average number of ordinary shares of 142,054,792 shares for FY2020 took into account the issuance of 13,422,500 new shares in the capital of the Company on 26 May 2020 pursuant to a placement exercise completed by the Company.

The diluted earnings per share for the relevant financial years are the same as the basic 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.

	Group		Company	
	As at 31 December 2020	As at 31 December 2019	As at 31 December 2020	As at 31 December 2019
	(Unaudited)	(Restated)	(Unaudited)	(Audited)
Net asset value ("NAV") (RM)	64,412,701	51,196,308	48,734,479	42,103,973
Number of ordinary shares in issue	147,647,500	134,225,000	147,647,500	134,225,000
NAV per ordinary share (RM cents)	43.63	38.14	33.01	31.37

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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

The Group recorded a 55% or RM12.01 million decrease in revenue, from RM21.86 million for FY2019 to RM9.84 million for FY2020. The decrease was due to the drop in visitors to the Group's theme parks as a result of the COVID-19 pandemic and the closure of these theme parks for approximately 4.5 months in FY2020 during the Movement Control Order ("MCO") imposed by the Malaysian Government to curb the spread of the virus. This decrease was partially offset by the inclusion of the post-acquisition portion of the revenue from RRSB, following the RRSB Completion on 7 December 2020.

Cost of sales

Cost of sales increased by 13% or RM1.16 million, from RM8.63 million for FY2019 to RM9.79 million for FY2020, mainly due to the contribution by RRSB following the RRSB Completion. Cost of sales remained relatively stable for both FY2020 and FY2019, notwithstanding the decrease in revenue. Included in the staff costs are RM0.25 million for the December 2020 salaries of the staff of RRSB and RM0.95 million for ex-gratia payments made to the staff of RRSB. If these were excluded, staff costs would have reduced due to cost cutting measures implemented by the management of the Group as well as the aforementioned closure of the theme parks due to the MCO imposed by the Malaysian Government in FY2020.

Gross profit

As a result of the above, (i) gross profit reduced by 99.6% or RM13.17 million, from RM13.23 million for FY2019 to RM56,000 for FY2020; and (ii) gross profit margin decreased by 60 percentage points, 61% for FY2019 to 1% for FY2020.

Other income

Other income increased significantly by RM17.84 million, from RM13,000 for FY2019 to RM17.86 million for FY2020. The increase was mainly due to (i) a gain on bargain purchase of RM16.69 million arising from the acquisition of RRSB which consisted of a waiver of debt of RM14.05 million as stipulated under the sale of shares agreement; (ii) wage subsidy of RM0.18 million received from the Malaysian Government's wage subsidy program to relieve staff costs incurred by companies during the MCO period in FY2020; (iii) discounts obtained from lessor of the Group's leasehold property of RM0.75 million in FY2020; (iv) gain on disposal of RM0.12 million arising from the disposal of business operation of a subsidiary to its minority shareholders in FY2020; and (v) bad debt recovered from prior years' write-off of receivables of a subsidiary of RM0.03 million. There were no such items in FY2019.

Administrative expenses

Administrative expenses comprise mainly administrative staff costs, advertisement and promotion expenses, travelling expenses, as well as credit card and merchant handling charges. Administrative expenses decreased by 28% or RM3.01 million, from RM10.74 million for FY2019 to RM7.72 million for FY2020. The decrease was mainly due to the decrease in (i) administrative staff costs as a result of cost

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cutting measures implemented by the management of the Group to combat the impact of the COVID-19 pandemic; and (ii) other categories of administrative expenses (as stated above) mainly due to the aforementioned closure of the theme parks due to the MCO imposed by the Malaysian Government in FY2020.

Finance costs

Finance costs increased by 234% or RM0.93 million, from RM0.39 million for FY2019 to RM1.32 million for FY2020. The increase in finance costs was mainly due (i) additional loan drawdown for working capital purpose of the Group; and (ii) higher interest rates incurred due to restructuring of a loan during the year to reduce the Group's capital repayment obligations.

Profit before income tax

As a result of the above, the Group recorded a profit from operations before income tax of RM8.86 million for FY2020, as compared to a profit from operations before income tax of RM2.10 million for FY2019.

Profit for the year

The Group recorded a profit after tax of RM8.13 million for FY2020, as compared to a profit after tax of RM0.23 million in FY2019. Excluding the gain on bargain purchase arising from business combination with respect to the acquisition of RRSB, the Group would have made a loss after tax of RM8.56 million for FY2020.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

Non-current assets, which comprised plant and equipment, ROU assets and intangible assets, increased by 70% or RM48.33 million, from RM69.46 million as at 31 December 2019 to RM117.79 million as at 31 December 2020. The increase was mainly due to the additional assets (namely, plant and equipment, ROU assets and intangible assets) arising from the RRSB Completion.

Current assets

Current assets increased by 99% or RM6.16 million, from RM6.21 million as at 31 December 2019 to RM12.38 million as at 31 December 2020. The increase was mainly due to (i) an increase in cash and bank balances of RM4.02 million due to additional loan drawn down in FY2020 for working capital purposes; and (ii) an increase in inventories and trade and other receivables of an aggregate of RM2.72 million arising from the RRSB Completion, partially offset by a decrease in prepayments of RM0.63 million due to the charge out of prepaid expenses.

Equity

Equity increased by 24.81% or RM12.79 million, from RM51.59 million as at 31 December 2019 to RM64.39 million as at 31 December 2020. The increase was due to (i) the issuance of new shares by the Company (share capital of RM9.07 million) via a private placement completed in May 2020; and (ii) the profit recorded for the year of RM8.13 million, partially offset by the payment of dividends of RM4.02 million with respect to FY2019 during FY2020.

Non-current liabilities

Non-current liabilities increased by 158% or RM28.61 million, from RM18.11 million as at 31 December 2019 to RM46.73 million as at 31 December 2020. The increase was due to an increase in (i) lease liabilities

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of RM15.74 million in relation to ROU assets arising from the RRSB Completion; (ii) borrowings of RM3.60 million due to drawdown of additional loan in FY2020 for working capital purposes; (iii) amount due to a Director of RM3.55 million as a result of the non-current portion of an interest-bearing loan extended by such Director for the acquisition of RRSB; (iv) provision for restoration costs and contract liability of RM4.12 million and of RM0.49 million, respectively, arising from the RRSB Completion; and (v) deferred tax liabilities of RM1.10 million due to the increase in fixed assets of the Group arising from the RRSB Completion which resulted in higher depreciation charges of fixed assets being incurred.

Current liabilities

Current liabilities increased by 219% or RM13.08 million, from RM5.96 million as at 31 December 2019 to RM19.04 million as at 31 December 2020. The increase was mainly due to an increase in (i) lease liabilities of RM2.21 million in relation to ROU assets as well as trade and other payables of RM8.63 million of which RM6.01 million arose from the RRSB Completion; (ii) borrowings of RM0.79 million due to drawdown of loan for working capital purposes; and (iii) amount due to a Director of RM1.78 million as a result of the current portion of an interest-bearing loan extended by such Director for the acquisition of RRSB.

Contract liability increased from RM0.55 million as at 31 December 2019 to RM1.05 million as at 31 December 2020, due to RRSB Completion. The income tax payable decreased from RM0.33 million as at 31 December 2019 to NIL as at 31 December 2020, due to repayment made in FY2020.

Working Capital Position

The Group recorded a negative working capital position of RM6.67 million as at 31 December 2020, as compared to a positive working capital position of RM0.25 million as at 31 December 2019.

As at 31 December 2020, the Group had available and unutilised RM1.70 million loan that the Group can be draw down from a Director for the Group's working capital purposes as per a loan agreement dated 20 November 2020 entered into between the Group and such Director. Please refer to the Company's announcement dated 24 November 2020 for more information.

The Group entered into a cooperation agreement dated 9 December 2020 with Sim Leisure Gulf Contracting L.L.C. ("**SL Gulf**"), which allows SL Gulf an exclusive, non-transferable and non-assignable right to use the brand name and the authorized products (as stipulated under the cooperation agreement) for SL Gulf's business in certain areas. Please refer to the Company's circular to shareholders dated 5 November 2020 for more information. Barring unforeseen circumstance, the Group expects to receive such cooperation fee as per the terms of aforesaid cooperation agreement in the current financial year ending 31 December 2021.

The Group also intends to explore various options to raise funds for the Group's general working capital requirements and improve its working capital position.

REVIEW OF THE GROUP'S CASH FLOW

Net cash used in operating activities for FY2020 was RM3.83 million, due to negative operating cash flows before changes in working capital of RM3.88 million, changes in working capital of RM8.06 million and income tax paid of RM0.35 million. Changes in working capital were due to the (i) increase in inventories, trade and other receivables, as well as trade and other payables of RM0.50 million, RM1.58 million and RM9.56 million, respectively, arising from the RRSB Completion; and (ii) decrease in prepayments of RM0.58 million mainly from the charge out of prepaid listing expenses.

Net cash used in investing activities for FY2020 of RM10.19 million was due to (i) the purchase of plant and equipment in relation to the construction of ESCAPE Challenge at Paradigm Mall and improvement works

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for ESCAPE GravityPlay, as well as purchase of plant and equipment by RRSB, totaling RM7.35 million; and (ii) net cash outflow from acquisition of RRSB of RM2.84 million.

Net cash generated from financing activities for FY2020 of RM10.39 million was mainly from (i) the net proceeds from the issuance of new ordinary shares by the Company via a private placement of RM9.07 million; and (ii) net proceeds from the drawdown of an additional loan, proceeds from disposal of business operations, repayment of lease liability, totaling RM5.38 million, partially offset by dividends paid of RM4.00 million and deposits pledged and interest received, totaling RM0.03 million during the year.

As a result of the above, cash and bank balances increased by RM4.02 million, from RM3.00 million as at 1 January 2020 to RM7.03 million as at 31 December 2020.

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 has been in active negotiations with KidZania Mexico as the Group intends to expand the KidZania franchise to other Asian countries.

The Group also has been in active negotiations with mall operators to construct similar operation as ESCAPE Challenge Paradigm Mall in other malls manage by mall operators in the state of Selangor.

The Group continues to monitor the outbreak of COVID-19 which has caused major disruptions across the global supply chains and has dampened economic growth prospects across the globe. The extent of any potential financial impact is difficult to ascertain as the situation continues to evolve.

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.

In addition, barring unforeseen circumstance, the Group expects to receive cooperation fee pursuant to the cooperation agreement with SL Gulf (as discussed in section 8 above) in the current financial year ending 31 December 2021.

The Group reviews strategic options on an ongoing basis and, in connection with this, may from time to time, hold discussions with a range of parties regarding possible fundraising exercises to fund the working capital and growth of the Group going forward. However, there is no assurance that any transaction will materialise from the aforementioned.

Upon park opening, the management will adhere to the strict compliance of SOP as introduced by Malaysian Government such as social distancing and limiting visitors' entrance to the park.

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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?

Yes, a one-tier tax exempt special dividend of RM0.03 per ordinary share in respect of FY2019 was declared and paid.

Name of Dividend	Special
Dividend Type	Cash
Dividend Amount	RM0.03 per ordinary share
Tax Rate	One-tier tax exempt

(c) Date payable

Not applicable.

(d) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable.

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

No dividend has been declared or recommended for FY2020 as the board of directors of the Company deems it appropriate to conserve cash for the Group's business operations in view of the outbreak of the COVID-19 pandemic and the current MCO in Malaysia.

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.

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15. Disclosure pursuant to Rule 706A.

Please see below information relating to changes to the companies within the Group during FY2020 pursuant to Rule 706A of the Catalist Rules:

Subscription of shares and joint venture in relation to Sim Leisure Milan Sdn. Bhd.

On 22 January 2020, the Company announced that Sim Leisure Escape Sdn. Bhd. ("**SLE**") (a wholly-owned subsidiary of the Company) and Sim Leisure Milan Sdn. Bhd. ("**SLM**") (a wholly-owned subsidiary of SLE) had, on 17 January 2020, entered into a shareholders' agreement ("**Shareholders' Agreement**") with Mr Milan Vanek ("**Joint Venture Partner**") in relation to the share capital and operations of SLM.

Pursuant to the Shareholders' Agreement, each of SLE and the Joint Venture Partner had, on 21 January 2020, subscribed, via cash, for 5,098 and 4,900 new ordinary shares in SLM ("**SLM New Shares**") respectively at an issue price of RM1.00 per SLM New Share. Following the issuance and allotment of the SLM New Shares and as at 22 January 2020, SLE owns 51% (from 100%) shareholding interest of SLM and the Joint Venture Partner owns the balance 49% shareholding interest of SLM.

Please refer to the Company's announcement dated 22 January 2020 for more information.

Acquisition of shares in Rakan Riang Sdn. Bhd.

On 4 November 2020, the Company announced that the Company's wholly-owned subsidiary, SLE (the "**Purchaser**"), had on 4 November 2020 executed a sale of shares agreement (the "**SSA**") with Themed Attractions and Resorts Sdn. Bhd. and Boustead Curve Sdn. Bhd. (together, the "**Vendors**") for the acquisition by the Purchaser of all the issued and paid-up ordinary shares in the capital of RRSB from the Vendors (the "**Acquisition**"). The Acquisition was completed on 7 December 2020 in accordance with the terms and conditions of the SSA.

Please refer to the Company's announcement dated 4 November 2020 and the Company's circular to shareholders dated 17 February 2021 for more information.

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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.

18. A breakdown of sales as follows:

Group	FY2020 RM	FY2019 RM	Increase/(Decrease) %
(a) Sales reported for first half of the financial year	4,285,171	8,526,560	(50)
(b) Operating loss after tax before deducting non-controlling interests reported for first half of the financial year	(2,561,901)	(2,791,282)	(8)
(c) Sales reported for second half of the financial year	5,560,815	13,333,055	(58)
(d) Operating profit after tax before deducting non-controlling interests reported for second half of the financial year	10,698,910	3,021,858	254

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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:

	FY2020	FY2019
	RM	RM
Ordinary	-	4,026,749
Preference	-	-
Total:	-	4,026,749

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

1 March 2021