

**SIM LEISURE GROUP LTD.**  
(Company Registration Number: 201808096D)  
(Incorporated in the Republic of Singapore on 8 March 2018)

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**CLARIFICATION ANNOUNCEMENT ON SIM LEISURE GROUP LTD'S  
REGIONAL EXPANSION INITIATIVES**

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*Unless otherwise defined herein, all capitalised terms used in this announcement shall bear the same meanings as defined in the offer document of the Company dated 22 February 2019 ("**Offer Document**").*

The board of directors (the "**Board**") of Sim Leisure Group Ltd. (the "**Company**") refers to the Business Times article published on 6 March 2019 titled, "It's time SGX and sponsors get tougher with firms looking to list" which commented on the Company's regional expansion initiatives.

As stated in the Offer Document, the priority in the use of the Company's IPO proceeds was to fully redeem the outstanding redeemable convertible preference shares ("**RCPS**") that were issued and allotted by Sim Leisure Escape Sdn Bhd to Penang Development Corporation ("**PDC**") in 2016 to fund the development of ESCAPE Waterplay. As announced by the Company on 5 March 2019, the outstanding RCPS (including any accrued dividends) have been fully redeemed. Following this redemption, the Group no longer has any debt on its balance sheet other than hire purchase borrowings of less than RM0.10 million, and will be able to enjoy savings in finance costs which had amounted to RM0.77 million for 1HFY2018.

The Board wishes to assure shareholders that, notwithstanding the fact that the IPO proceeds have been utilised to fully redeem RCPS and to fund listing expenses, there would not be any material adverse impact on the Group's business operations and plans, particularly in view of the expected business boost from increased visitorship to its existing theme parks and the impending commencement of operations of ESCAPE Gravityplay in the first half of 2019. Furthermore, the improved financial position following the full redemption of RCPS is expected to augur well for the Group's operations.

As outlined in the Offer Document, the Group has plans to expand its existing theme park operations in Penang as well as expand into new geographic regions outside of Malaysia in the ASEAN region and the People's Republic of China through joint ventures and/or strategic alliances. In this regard, the Company had entered into a non-binding memorandum of understanding with Fei County Wonder Stone Characteristic Town Development Co., Ltd on 1 September 2018 to undertake the design and operation of a theme park in Linyi, the People's Republic of China.

The Board would like to reiterate that the Group expects to fund its business strategies and expansion plans using internal resources and/or external financing. Barring unforeseen circumstances and subject to economic and market conditions as well as available opportunities, the Board does not foresee any difficulties with implementing the growth strategies of the Group, by leveraging the scalable and proven profitable business model of the Group's ESCAPE theme parks.

The Company will continue to apprise shareholders of any material developments on future corporate actions and growth initiatives via the SGXNet.

**By Order of the Board**

Sim Choo Kheng

Executive Director and Chief Executive Officer

11 March 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this announcement.*

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

*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.*