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Sim Leisure reports core net profit* of RM5.5 million for FY2019

- Revenue increased 5.0% yoy driven by all-time highs of visitor attendance supported by the opening of the Guinness World Record's longest inner tube water slide and ESCAPE Gravityplay, the third of the ESCAPE series of theme parks in Penang, Malaysia which opened on 22 November 2019
- Gross profit margin improved 1.9 percentage points to 60.0% due to greater economies of scale as a large proportion of operating costs are fixed which do not increase significantly with the increase in revenue
- Declaration of a special dividend of 3 sens (RM) to reward shareholders (subject to the approval of shareholders of the Company), representing an effective dividend yield of 4.7%¹
- Future plans to expand the Group's theme park operations to new geographical locations such as other ASEAN cities remain on track with ESCAPE Sri Lanka expected to begin construction in March 2020²
- Official launch of ESCAPE Challenge, an indoor recreational centre at Paradigm Mall in Petaling Jaya, Malaysia is expected to be scheduled for March or April 2020

Singapore – 28 February 2020, Sim Leisure Group Ltd. ("**Sim Leisure**" or the "**Company**", together with its subsidiaries, the "**Group**"), a theme park developer and operator based in Penang, Malaysia, today announced its unaudited financial results for the full year ended 31 December 2019 ("**FY2019**").

Financial Highlights (RM)	FY2019	FY2018	Change (%)
Revenue	21,859,616	20,820,571	5
Gross Profit	13,126,364	12,099,662	8
Gross Profit Margin (%)	60.0	58.1	1.9 pts
Profit after tax	125,596	5,654,314	(98)
Core Net Profit*	5,480,000	5,654,314	(3)

n.m. – not meaningful

**A derived profit after tax figure, which is generated purely from the Group's operations of theme parks*

***Excluding one-off IPO related expenses of RM3.99 million and expenses incurred by the ultimate holding company to maintain listing status on SGX (comprising directors' fees, audit fees, sponsorship and other compliance fees) of RM1.36 million*

****Excluding one-off other income from write off of aging suppliers of RM0.37 million*

Driven by all-time high numbers of visitors at the Group's ESCAPE theme park in Penang, the Group reported a 5% year-on-year ("**yoy**") increase in revenue to a record RM21.86 million for FY2019. Visitor numbers increased to a record 205,000 for FY2019, as compared to 185,000 visitors for FY2018.

¹ Based on the closing price of \$0.21 and 0.33 MYR/SGD exchange rate on 28 Feb 2020

² Pending signing of the definitive agreement

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In line with the growth in revenue, gross profit increased 8% yoy to RM13.13 million, while gross profit margin expanded 1.9 percentage points to 60.0% for FY2019. As a large portion of the Group's operating costs are fixed which do not increase significantly with the increase in revenue, the Group is able to benefit from increasing profit margins when visitor numbers increase. The majority of the Group's cost of sales are non-variable, including depreciation and staff costs.

Finance costs declined significantly from RM1.54 million for FY2018, to RM0.39 million for FY2019. The decrease was attributed mainly due to lower interest expenses in respect of the redeemable convertible preference shares ("RCPS") which were fully redeemed in March 2019, as well as the over-provision of RM0.2 million of effective interest payable on RCPS was written back in the first half of FY2019.

Excluding the one-off IPO related expenses from the Group's successful listing on the Singapore Exchange on 1 March 2019 and expenses incurred by the ultimate holding company to maintain listing status on SGX (comprising directors' fees, audit fees, sponsorship and other compliance fees) in FY2019, the Group's core net profit (generated purely from its operations of theme parks) declined marginally to RM5.48 million for FY2019, as compared to RM5.65 million for FY2018.

Mr Sim Choo Kheng, CEO of Sim Leisure, said, *"In another record setting year, the success of our proven business model along with the efficiency and low maintenance costs at our theme parks have translated to improvements in our gross profit margins. While we were impacted temporarily by one-off listing expenses, we expect financial performance to improve over time as we remain in growth mode. Our disruptive, innovative and cost-competitive business model will continue to deliver strong results. As we continue to grow, we remain committed to rewarding shareholders. Accordingly, the Board has declared a special dividend of 3 sens (RM) (subject to shareholders' approval).*

Beyond Penang with its relatively small population of 1.8 million, we will continue to scale into new markets across the region that are awaiting a new genre of affordable and healthy family entertainment. ESCAPE Sri Lanka will be first and presents a potential market of over 20 million. This is a tremendous opportunity for us as we will have the first-mover advantage of building the first world-class attraction in Sri Lanka. Unlike many parts of East Asia, Sri Lanka has tremendous untapped potential for family leisure and a highly-educated population hungry for success. We are excited to begin construction in March 2020. In addition, our plans to expand the Group's theme park operations and asset-light business model to new geographical locations such as other ASEAN cities remain on track.

Closer to home, ESCAPE Challenge, our first indoor recreational centre at Paradigm Mall in Petaling Jaya is scheduled for March or April 2020. ESCAPE Challenge will be our showcase indoor recreational centre

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which we will use to present to future customers in China, Singapore and the ASEAN region. It marks the beginning of another business division we have been incubating for years. We foresee this indoor version of ESCAPE growing exponentially in the years to come as the retail shopping business continues to undergo a transformation.”

– The End –

About Sim Leisure Group Ltd.

The Group is a well-established developer and operator of theme parks based in Penang, Malaysia. The Group's founder, Sim Choo Kheng, has more than 29 years of experience in the theming industry. The Group presently operates ESCAPE theme parks (<http://www.escape.my/>), in Penang, Malaysia and caters to both local and foreign visitors. ESCAPE Adventureplay is an outdoor adventure theme park which contains eco-friendly features and design elements reminiscent of traditional villages and pastimes in Malaysia. ESCAPE Waterplay is the first water park in Penang and also features the same eco-friendly and traditional design elements as ESCAPE Adventureplay. ESCAPE Gravityplay, the third in the ESCAPE series of theme parks features a chairlift and two downhill karting tracks. In November 2019, the Group officially opened the Guinness World Record's longest inner tube water slide which measures 1,111 metres. The ESCAPE theme parks welcomed approximately 112,000 visitors in 2017, approximately 185,000 visitors in 2018 and approximately 205,000 visitors in 2019.



ESCAPE is the answer to the Penang state government's vision of a world-class leisure destination when Sim Leisure won a development tender in 2009 over the 60-acre land ESCAPE currently inhabits. This Guinness World Record will place Penang on the world map and draw large tourism crowds domestically and internationally.

ESCAPE has been awarded the TripAdvisor Certificate of Excellence every year from 2014 to 2019, the Certificate of Merit and Winner in the category of Best Tourist Attraction (Man-Made Attraction/Theme Park) at the 19th Malaysia Tourism Awards for 2014/2015 and 20th Malaysia Tourism Awards for 2016/2017, respectively.

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

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



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

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

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

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