



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

SIM LEISURE GROUP LTD. AND ITS SUBSIDIARIES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2021

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

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.

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**SIM LEISURE GROUP LTD.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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A. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		At at	As at	As at	As at
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
		RM (Unaudited)	RM (Audited)	RM (Unaudited)	RM (Audited)
ASSETS					
Non-current assets					
Property, plant and equipment	4	80,164,300	85,165,600	-	-
Right-of-use assets		26,901,635	28,316,581	-	-
Intangible assets	5	1,244,690	1,370,488	-	-
Investment in subsidiaries		-	-	52,123,465	52,123,449
Total non-current assets		108,310,625	114,852,669	52,123,465	52,123,449
Current assets					
Inventories		357,155	558,348	-	-
Trade and other receivables		6,484,053	2,791,957	4,206,183	361,544
Prepayments		325,101	370,135	121,474	85,412
Income tax recoverable		-	252,989	-	-
Cash and bank balances		18,658,283	8,077,239	8,990,313	3,274,158
Total current assets		25,824,592	12,050,668	13,317,970	3,721,114
Total assets		134,135,217	126,903,337	65,441,435	55,844,563
EQUITY AND LIABILITIES					
Equity					
Share capital	6	66,574,608	55,360,320	66,574,608	55,360,320
Merger reserve		(12,700,040)	(12,700,040)	-	-
Capital reserve		116,677	1,366,485	1,328,829	1,328,829
Foreign exchange translation reserve		781	-	-	-
Retained earnings/(Accumulated losses)		8,913,289	20,712,533	(4,176,758)	(2,251,470)
Equity attributable to owners of the parent		62,905,315	64,739,298	63,726,679	54,437,679
Non-controlling interests		3,717,527	(25,745)	-	-
Total equity		66,622,842	64,713,553	63,726,679	54,437,679
Non-current liabilities					
Lease liabilities		21,226,087	23,960,813	-	-
Borrowings	7	8,116,043	9,401,112	-	-
Contract liabilities	8.2(b)	415,349	493,987	-	-
Amount due to a director	7	4,785,000	3,550,000	-	-
Provisions		4,437,783	3,833,472	-	-
Deferred tax liabilities		3,530,000	3,116,060	-	-
Total non-current liabilities		42,510,262	44,355,444	-	-



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	Notes	Group		Company	
		At at	As at	As at	As at
		31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
		RM (Unaudited)	RM (Audited)	RM (Unaudited)	RM (Audited)
Current liabilities					
		9,607,444	10,528,052	1,714,756	1,406,884
		3,135,376	1,241,601	-	-
	7	4,310,034	3,235,393	-	-
	8.2(b)	2,514,111	1,045,299	-	-
	7	807,039	1,783,995	-	-
		4,628,109	-	-	-
		25,002,113	17,834,340	1,714,756	1,406,884
		67,512,375	62,189,784	1,714,756	1,406,884
		134,135,217	126,903,337	65,441,435	55,844,563



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B. CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Group					
		6 months ended 31 Dec			12 months ended 31 Dec		
		2021	2020	Change	2021	2020	Change
		RM (Unaudited)	RM (Unaudited)	%	RM (Unaudited)	RM (Audited)	%
Revenue	8	12,574,089	5,290,367	>100	17,693,381	9,575,538	84.8
Cost of sales		(6,979,965)	(5,516,050)	26.5	(11,355,334)	(8,876,912)	27.9
Gross profit/(loss)		5,594,124	(225,683)	n.m	6,338,047	698,626	> 100
Other income		276,736	17,187,466	(98.4)	440,323	17,348,032	(97.5)
Administrative expenses		(2,801,685)	(4,903,761)	(42.9)	(8,163,176)	(8,371,502)	(2.5)
Impairment on trade receivables		(743,299)	(18,111)	>100	(743,299)	(18,111)	>100
Finance costs		(1,442,901)	(1,224,208)	17.9	(2,546,490)	(1,403,243)	81.5
Profit/(Loss) from operations before income tax	9	882,975	10,815,703	(91.8)	(4,674,595)	8,253,802	n.m
Income tax (expense)/credit	10	(5,582,631)	209,803	n.m	(5,691,719)	209,803	n.m
(Loss)/profit from operations after income tax		(4,699,656)	11,025,506	n.m	(10,366,314)	8,463,605	n.m
Foreign currency translation gain		1,301	-	n.m	1,301	-	n.m
(Loss)/Profit for the financial period/year, representing total comprehensive (loss)/income for the financial period/year		(4,698,355)	11,025,506	n.m	(10,365,013)	8,463,605	n.m
(Loss)/Profit attributable to:							
- Owners of the parent		(4,853,171)	11,000,029	n.m	(11,799,244)	8,464,442	n.m
- Non-controlling interests		153,515	25,477	> 100	1,432,930	(837)	n.m
		(4,699,656)	11,025,506	n.m	(10,366,314)	8,463,605	n.m



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(Loss)/Profit for the financial period/year, representing total comprehensive (loss)/income for the financial period/year attributable to:

- Owners of the parent	(4,852,390)	11,000,029	n.m	(11,798,463)	8,464,442	n.m
- Non-controlling interests	154,035	25,477	> 100	1,433,450	(837)	n.m
	<u>(4,698,355)</u>	<u>11,025,506</u>	<u>n.m</u>	<u>(10,365,013)</u>	<u>8,463,605</u>	<u>n.m</u>

(Loss)/Earnings per share⁽¹⁾ attributable to owners of the parent for the financial period/year

(RM sens per share)

Basic and Diluted ⁽²⁾	<u>(3.14)⁽¹⁾</u>	<u>7.45⁽¹⁾</u>	<u>(7.80)⁽¹⁾</u>	<u>5.96⁽¹⁾</u>
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n.m: Not meaningful

- (1) Computed based on (loss)/profit attributable to owners of the parent for the respective financial period/year divided by the weighted average number of ordinary shares in issue during the respective financial period/year. The weighted average number of ordinary shares for the six months ended 31 December 2021 and the six months ended 31 December 2020 is 154,773,097 and 147,647,500 shares, respectively. The weighted average number of ordinary shares for the financial year ended 31 December 2021 ("FY2021") and the financial year ended 31 December 2020 ("FY2020") is 151,239,582 and 142,054,792 shares, respectively.
- (2) The Company did not have any dilutive instruments. Hence, the basic and fully diluted (loss)/earnings per share are the same for the respective financial period/year.



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C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital reserve	Merger reserve	Retained earnings	Foreign exchange translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group	RM	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2021 (Unaudited)	55,360,320	1,366,485	(12,700,040)	20,712,533	-	64,739,298	(25,745)	64,713,553
(Loss)/Profit for the financial year, representing total comprehensive (loss)/income for the financial year	-	-	-	(11,799,244)	781	(11,798,463)	1,433,450	(10,365,013)
Issuance of new shares	11,214,288	-	-	-	-	11,214,288	-	11,214,288
Subscription of new shares by non-controlling interests	-	-	-	-	-	-	15	15
Disposal of shares to non-controlling interests	-	(1,249,808)	-	-	-	(1,249,808)	2,309,807	1,059,999
Balance as at 31 December 2021 (Unaudited)	66,574,608	116,677	(12,700,040)	8,913,289	781	62,905,315	3,717,527	66,622,842

	Share capital	Capital reserve	Merger reserve	Retained earnings	Foreign exchange translation reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group	RM	RM	RM	RM	RM	RM	RM	RM
Balance as at 1 January 2020 (Audited)	46,292,679	1,328,829	(12,700,040)	16,274,840	-	51,196,308	395,685	51,591,993
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year	-	-	-	8,464,442	-	8,464,442	(837)	8,463,605
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)
Capital contribution by non-controlling interests	-	-	-	-	-	-	17,063	17,063
Acquisition of non-controlling interests	-	37,656	-	-	-	37,656	(437,656)	(400,000)
Balance as at 31 December 2020 (Audited)	55,360,320	1,366,485	(12,700,040)	20,712,533	-	64,739,298	(25,745)	64,713,553



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	Share capital	Capital reserve	Accumulated losses	Total equity
Company	RM	RM	RM	RM
Balance as at 1 January 2021 (Unaudited)	55,360,320	1,328,829	(2,251,470)	54,437,679
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(1,925,288)	(1,925,288)
Issuance of new shares	11,214,288	-	-	11,214,288
Balance as at 31 December 2021 (Unaudited)	66,574,608	1,328,829	(4,176,758)	63,726,679

	Share capital	Capital reserve	Accumulated losses	Total equity
Company	RM	RM	RM	RM
Balance as at 1 January 2020 (Audited)	46,292,679	1,328,829	119,915	47,741,423
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(2,371,385)	(2,371,385)
Issuance of new shares pursuant to private placement	9,067,641	-	-	9,067,641
Balance as at 31 December 2020 (Audited)	55,360,320	1,328,829	(2,251,470)	54,437,679



D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	12 months ended 31 Dec	
	2021	2020
	RM	RM
Operating activities		
(Loss)/Profit before income tax	(4,674,596)	8,253,802
Adjustments for:		
Depreciation of plant and equipment	5,620,536	3,102,211
Depreciation of right-of-use assets	1,706,372	360,603
Bad debts written-off	123,703	-
Amortisation of intangible asset	125,798	11,944
Net loss on impairment of financial instrument	7,571	-
Impairment on trade receivables	743,299	18,111
Provision for slow moving inventory	147,186	-
Gain on bargain purchase	-	(16,693,965)
Gain on disposal of business operation	-	(118,349)
Waiver of lease rentals	-	(153,335)
Interest expense	2,546,490	1,403,243
Interest income	(6,809)	(70,395)
Unrealised foreign exchange loss	61,854	23,385
Operating cash flows before working capital changes	6,401,404	(3,862,745)
Working capital changes:		
Inventories	54,007	53,021
Trade and other receivables	(4,520,063)	(973,500)
Trade and other payables	1,012,021	4,226,050
Cash generated from/(used in) operations	2,947,369	(557,174)
Income tax paid	(396,994)	(565,991)
Net cash generated from/(used in) operating activities	2,550,375	(1,123,165)
Investing activities		
Purchase of plant and equipment	(619,237)	(7,374,847)
Acquisition of a subsidiary, net of cash acquired	-	(2,042,830)
Net cash used in investing activities	(619,237)	(9,417,677)
Financing activities		
Proceeds from issuance of ordinary shares to owners of the parent	11,214,288	9,067,640
Proceeds from issuance of ordinary shares to non-controlling interests	15	17,063
Acquisition of non-controlling interests	-	(400,000)
Proceeds from disposal of business operations	-	1,170,000
Proceeds from loan from a director	1,000,000	5,300,000
Proceeds from borrowings	-	5,687,495
Repayment of borrowings	(339,727)	(1,316,762)
Repayment of finance lease obligations / lease liabilities	(2,559,698)	(334,539)
Dividends paid	-	(4,026,749)
Interest paid	(671,827)	(625,084)
Interest received	6,809	70,395
Changes in the fixed deposits with maturity period of more than 3 months	(19,247)	(44,288)
Net cash generated from financing activities	8,630,613	14,565,171



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	Group	
	12 months ended 31 Dec	
	2021	2020
	RM	RM
Net increase in cash and cash equivalents	10,561,751	4,024,329
Effect of foreign exchange translation	46	-
Cash and cash equivalents at beginning of financial year	7,032,951	3,008,622
Cash and cash equivalents at end of financial year	17,594,748	7,032,951
Cash and bank balances	18,658,283	8,077,239
Less: Fixed deposit pledged for banking facilities	(1,063,535)	(1,044,288)
Cash and cash equivalents at end of financial year	17,594,748	7,032,951



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Sim Leisure Group Ltd. (the "**Company**") is a public limited company domiciled in Singapore and incorporated on 8 March 2018. The Company was listed on the official list of the Catalist Board of the Singapore Exchange Securities Trading Limited on 1 March 2019. These condensed interim consolidated financial statements as at and for the six months and full year ended 31 December 2021 comprise the Company and its subsidiaries (collectively, the "**Group**").

The primary activities of the Company is that of investment holding.

The principal activities of the Group are:

- (a) Investment holding and development of theme parks;
- (b) Development and operation of theme parks;
- (c) Business in relation to sports, recreation and teambuilding;
- (d) Business in design, project management and installation of adventure parks; and
- (e) Owns and operates Kidzania educational and entertainment facility.

2. Basis of Preparation

The condensed interim consolidated financial statements for the six months and full year ended 31 December 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim consolidated financial statements for the six months ended 30 June 2021.

The accounting policies and methods of computations adopted are consistent with those adopted by the Company in its most recently audited consolidated financial statements for the full year ended 31 December 2020, which were prepared in accordance with SFRS(I)s, except for the adoption of new and revised standards as set out in Note 2.2 of the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements are presented in Malaysia Ringgit ("**RM**") which is the Company's functional currency.



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

2.1 Going Concern

The Group recorded an operating cash inflow of RM2.6 million for FY2021 and a positive working capital position of RM0.82 million as at 31 December 2021. Accordingly, management does not believe there is a material uncertainty over the ability of the Group to operate as a going concern, and the condensed interim consolidated financial statements for the six months and full year ended 31 December 2021 have been prepared on a going concern basis, which assumes that the Group will be able to meet its debt obligations as and when they fall due within the next twelve months.

2.2 New and amended standards adopted by the Group

The Group and the Company have adopted all the new and revised SFRS(I)S and SFRS(I) Interpretations that are relevant to its operations and effective for the annual period beginning on 1 January 2021. The adoption of these new and revised SFRS(I)s and SFRS(I) Interpretations has no material effect on the performance and financial position of the Group and of the Company for the current financial period reported on. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these new and revised standards and interpretations.

2.3 Uses of estimates and judgements

In preparing the condensed interim consolidated financial statements, management has made judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the annual audited consolidated financial statements as at and for the full year ended 31 December 2020.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the six months and full year ended 31 December 2021.

4. Property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM619,237 (2020: RM7,374,847).



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

5. Intangible assets

	Group		
	License Fees	Accounting Software	Total
As at 31 December 2020 (audited)	RM	RM	RM
Cost	2,445,750	890,372	3,336,122
Accumulated amortisation	(1,078,772)	(886,862)	(1,965,634)
Net book amount	1,366,978	3,510	1,370,488
6 months ended 31 December 2021			
Opening net book amount	1,305,834	-	1,305,834
Amortisation charges	(61,144)	-	(61,144)
Closing net book amount	1,244,690	-	1,244,690
As at 31 December 2021 (unaudited)			
Cost	2,445,750	890,372	3,336,122
Accumulated amortisation	(1,201,060)	(890,372)	(2,091,432)
Net book amount	1,244,690	-	1,244,690

There were no intangible assets for the Company as at 31 December 2021 and 31 December 2020.

5.1 License fees

The license fees are amortised over a period of 20 years from the commercial public opening of the Kidzania facility as stated in the license agreement.

6. Share capital

	Group and Company	
	Number of shares	Share Capital (RM)
Fully paid ordinary shares with no par value (excluding treasury shares)		
As at 31 December 2020 and 30 June 2021	147,647,500	55,360,320
Allotment and issuance of new shares pursuant to a subscription exercise on 19 October 2021	17,717,700	11,214,288
As at 31 December 2021	165,365,200	66,574,608



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

The Company did not have any outstanding convertibles, treasury shares or subsidiary holdings as at 31 December 2021, 30 June 2021 and 31 December 2020. There was no sale, transfer, cancellation and/or use of treasury shares and subsidiary holdings during FY2021.

7. Borrowings

	Group and Company	
	31 Dec 2021 RM (Unaudited)	31 Dec 2020 RM (Audited)
Amount repayable in one year or less, or on demand		
Secured	5,117,073	5,019,388
Unsecured	-	-
Amount repayable after one year		
Secured	12,901,043	12,951,112
Unsecured	-	-

As at 31 December 2021 and 31 December 2020, the Group's borrowings comprise of bank overdrafts, term loans, and amount due to a Director of the Company.

The term loans and bank overdrafts 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.

The amount due to a Director of the Company is secured by a charge over the issued and paid-up capital of Rakan Riang Sdn. Bhd. ("RRSB") and the assignment of 5% of the total revenue of RRSB as agreed between the Director of the Company and the Company's wholly-owned subsidiary, Sim Leisure Escape Sdn Bhd.



E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8. Segment and revenue information

8.1 Reportable segments

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

The Group's revenue and assets are mainly derived from Malaysia. Accordingly, no geographical segment information is presented during these financial periods.

A breakdown of sales as follows:

	Group		
	12 months ended 31 Dec 2021 RM (Unaudited)	12 months ended 31 Dec 2020 RM (Audited)	Increase/ (Decrease) %
(a) Sales reported for first half year	5,119,292	4,285,171	19.5
Operating loss after tax before			
(b) deducting non-controlling interests reported for first half year	(6,946,073)	(2,535,587)	> 100
(c) Sales reported for second half year	12,574,089	5,290,367	> 100
Operating (loss)/profit after tax before			
(d) deducting non-controlling interests reported for second half year	(4,853,171)	11,000,029	n.m

n.m: Not meaningful



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

8.2 Disaggregation of Revenue

8.2 (a) Disaggregation of the Group's revenue is as follows:

	Group	
	12 months ended 31 Dec 2021 RM (Unaudited)	12 months ended 31 Dec 2020 RM (Audited)
Type of goods or services		
Admission fees to theme parks	9,646,175	7,528,269
Sale of food, beverages and merchandise	1,947,646	1,150,597
Services rendered	573,916	166,565
Royalties	5,510,019	-
Sponsorship income	15,625	730,107
Total	17,693,381	9,575,538

Revenue from admission fees to theme parks, sale of food, beverages and merchandise, services rendered and sponsorship income are recognised at a point in time.

Royalty income is recognised on an accrual basis in accordance with the relevant cooperation agreements entered into with the Group's customers.

8.2 (b) Contract Liabilities

	Group	
	31 Dec 2021 RM (Unaudited)	31 Dec 2020 RM (Audited)
Current	2,514,111	1,045,299
Non-current	415,349	493,987
Total	2,929,460	1,539,286

Revenue from sponsorship which consists of initial and annual fees from sponsors are amortised across the tenure of the contracts subject to the terms and conditions of the individual contract.

The transaction price allocated to the unsatisfied performance obligations as at 31 December 2021 is RM2,929,460 (2020: RM1,539,286) and is expected to be recognised over years as follows:

	Group	
	31 Dec 2021 RM (Unaudited)	31 Dec 2020 RM (Audited)
Within one year	2,514,111	1,045,299
More than 1 year and less than 2 years	415,349	493,987
Total	2,929,460	1,539,286



E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

9. (Loss)/Profit before taxation

9.1 Significant items

	Group		Increase /
	12 months ended 31 Dec 2021 RM (Unaudited)	12 months ended 31 Dec 2020 RM (Audited)	(Decrease) %
Income			
Other income			
Gain on bargain purchase	-	16,693,965	(100)
Gain on disposal of business operation	-	118,349	(100)
Others	440,323	535,718	(17.8)
Expense			
Depreciation of plant and equipment	(5,620,536)	(3,102,211)	81.2
Depreciation of right-of-use assets	(1,706,372)	(360,603)	>100
Amortisation of intangible asset	(125,798)	(11,944)	>100
Finance costs	(2,546,490)	(1,403,243)	81.5
Repair and maintenance expenses	(133,591)	(261,326)	(48.9)
Utilities expenses	(352,198)	(356,589)	(1.2)
Legal and professional fees	(1,238,411)	(1,380,945)	(10.3)
Staff costs	(2,819,691)	(3,249,561)	(13.2)
Bad debts written-off	(123,703)	-	n.m
Impairment on trade receivables	(743,299)	(18,111)	>100
Provision for slow moving inventory	(147,186)	-	n.m
Foreign exchange loss, unrealised	(61,854)	(23,385)	>100

n.m: Not meaningful

9.2 Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in these condensed interim consolidated financial statements.



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

10. Income tax expense

	Group	
	12 months ended 31 Dec 2021 RM (Unaudited)	12 months ended 31 Dec 2020 RM (Audited)
Current income tax		
- current financial year	891,282	6,020
- under provision in prior years	4,386,497	16,906
	5,277,779	22,926
Deferred income tax		
- current financial year	(53,599)	(230,716)
- under/(over) provision in prior years	467,539	(2,013)
	413,940	(232,729)
Total income expense/(credit) recognised in profit or loss	5,691,719	(209,803)

11. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2021 and 31 December 2020:

	Group		Company	
	31 Dec 2021 RM (Unaudited)	31 Dec 2020 RM (Audited)	31 Dec 2021 RM (Unaudited)	31 Dec 2020 RM (Audited)
Financial Assets				
Trade and other receivables (excluding goods and services tax recoverable)	6,484,053	2,791,957	4,206,183	361,544
Cash and cash equivalents	18,658,283	8,077,239	8,990,313	3,274,158
Total	25,142,336	10,869,196	13,196,496	3,635,702

	Group		Company	
	31 Dec 2021 RM (Unaudited)	31 Dec 2020 RM (Audited)	31 Dec 2021 RM (Unaudited)	31 Dec 2020 RM (Audited)
Financial Liabilities				
Trade and other payables (excluding deferred revenue)	15,199,483	15,862,047	1,714,756	1,406,884
Bank borrowings	12,426,077	12,636,505	-	-



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E. NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)

Lease liabilities	24,361,463	25,202,414	-	-
Total	51,987,023	53,700,966	1,714,756	1,406,884

12. Dividends

	Group	
	12 months ended 31 Dec 2021 RM (Unaudited)	12 months ended 31 Dec 2020 RM (Audited)
Tax exempt (one-tier) special cash dividend of RM0.03 per ordinary share paid in respect of the financial year ended 31 December 2019 (2020: Nil)	-	4,026,749
	-	4,026,749
Dividend per share (net of tax)	-	0.03

13. Net Asset Value

	Group		Company	
	31 Dec 2021 (Unaudited)	31 Dec 2020 (Audited)	31 Dec 2021 (Unaudited)	31 Dec 2020 (Audited)
Net asset value per share based on total number of issued ordinary shares excluding treasury shares (RM sens)	38.04	43.85	38.54	36.87

The net asset value per ordinary share of the Group and the Company as at 31 December 2021 and 31 December 2020 are calculated based on the total number of issued ordinary shares (excluding treasury shares) of 165,365,200 and 147,647,500 as at 31 December 2021 and 31 December 2020, respectively.

14. Subsequent events

There are no known subsequent events which have led to adjustments to this set of condensed interim consolidated financial statements.



F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES

1. Review

The condensed interim consolidated statement of financial position of Sim Leisure Group Ltd. and its subsidiaries as at 31 December 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six months and full year ended 31 December 2021 and the explanatory notes have not been audited or reviewed by the Company's auditors.

2. 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 2020 are not subject to an adverse opinion, qualified opinion or disclaimer of opinion issued by the Company's auditors.

3. Review of the Group's Performance

(a) Review of Financial Performance of the Group

Revenue

The Group's revenue for FY2021 increased by RM8.12 million or 84.9%, to RM17.69 million as compared to RM9.58 million for for FY2020. Please refer to the table below for a breakdown of the revenue recorded:

	Group		Variance	Increase/ (Decrease)
	12 months ended 31 Dec 2021	12 months ended 31 Dec 2020		
	RM	RM	RM	%
Type of goods or services	(Unaudited)	(Audited)		
Admission fees to theme parks	9,646,175	7,528,269	2,117,906	28.1
Sale of food, beverages and merchandise	1,947,646	1,150,597	797,049	69.3
Services rendered	573,916	166,565	407,351	> 100
Royalties	5,510,019	-	5,510,019	n.m
Sponsorship income	15,625	730,107	(714,482)	(97.9)
Total	17,693,381	9,575,538	8,126,013	84.9

n.m : not meaningful



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

The increase in revenue for FY2021 was mainly contributed by: (i) the cooperation fee received from Sim Leisure Gulf Contracting L.L.C. (“**SL Gulf**”) pursuant to the cooperation agreement entered into between the Company’s 60%-owned subsidiary, Sim Leisure Creative Pte. Ltd., and SL Gulf on 9 December 2020 (“**Cooperation Agreement**”); and (ii) the increase in admission fee to theme parks, sale of food, beverages and merchandise as well as services rendered in respect of the Group’s theme parks as these theme parks resumed its operations since 20 October 2021 as the Malaysian government eases restrictions and measures imposed in response to the COVID-19 pandemic.

The decrease in revenue from sponsorship income for FY2021, as compared to FY2020 was mainly due to agreements with existing industrial partners to defer the contract periods under existing sponsorship agreements as Kidzania’s theme park was closed most of the months in FY2021 since January 2021 until October 2021 due to the Movement Control Order (“**MCO**”) imposed by the Malaysian Government in response to the COVID-19 pandemic. Sponsorship income of RM16,000 recorded in FY2021 related to sponsorship fees receivable from new industrial partners when Kidzania’s theme park reopened in October 2021.

Cost of sales

Cost of sales was higher by RM2.48 million, or 27.9%, from RM8.87 million in FY2020 to RM11.35 million in FY2021. The increase was mainly due to the increase in revenue in FY2021 and higher staff cost, and other operational expenses which were incurred following the completion of the acquisition of RRSB in December 2020.

Gross Profit

Gross profit rose RM5.64 million or 807%, to RM6.34 million in FY2021 from RM0.70 million in FY2020. Gross profit margin increased by 28.3 percentage points, from 7.3% in FY2020 to 35.8% in FY2021. The increases in gross profit and gross profit margin were in line with the increase in the Group’s revenue, mainly contributed by the cooperation fees from SL Gulf, which have higher gross margins, and the resumption of operations of the Group’s theme parks.

Other income

Other income decreased by RM16.9 million or 97.5%, to RM0.44 million in FY2021 from RM17.35 million in FY2020. This was mainly due to (i) the absence in FY2021 of a one-off gain on bargain purchase for the acquisition of RRSB of RM16.69 million and one-off gain on disposal of business operation of a subsidiary to its minority shareholders of RM0.12 million; and (ii) the decrease in other miscellaneous income of RM0.1 million or 17.8% from RM0.54 million to RM0.44 million mainly due to discounts obtained from lessor of the Group’s leasehold property in FY2020 representing a one-off discount in FY2020 due to the COVID-19 pandemic, which was absent in FY2021.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Administrative expenses

Administrative expenses comprise mainly administrative staff costs, advertisement and promotion expenses, travelling expenses, legal and professional fees, depreciation of plant and equipment, repair and maintenance expenses as well as lease expenses. Administrative expenses decreased by RM0.21 million, or 2.5%, from RM8.37 million in FY2020 to RM8.16 million in FY2021. Due to the numerous phases of MCO imposed by the Malaysian government during FY2021, the management has implemented cost management strategies to combat the impact of the COVID-19 pandemic, especially towards the second half of FY2021 when the number of COVID-19 cases in Malaysia peaked. Administrative expenses in second half of FY2021 remained low despite the Group resuming its businesses towards the end of October 2021. As such, it resulted in an overall drop in administrative expenses, despite the increase in costs (such as depreciation of plant and equipment, and right-of-use assets, as well as amortisation of intangible assets) of operating the business of RRSB subsequent to the completion of acquisition of RRSB in December 2020.

Impairment on trade receivables

Impairment on trade receivables was higher by RM0.72 million or an increase of more than 100%, from RM18,000 in FY2020 to RM0.74 million in FY2021. This was mainly due to (i) impairment loss of RM0.50 million provided for in the accounts of RRSB for overdue debts as collectability is in doubt; and (ii) general provision against receivable balance as an expected credit loss of RM0.22 million.

Finance costs

Finance costs increased by RM1.15 million or 81.5%, to RM2.55 million in FY2021 from RM1.40 million in FY2020. The increase was mainly due to (i) interest incurred for loan drawdown for working capital purpose of the Group and funding obtained from a director of the Company; and (ii) full year financing cost incurred by RRSB in FY2021 following the completion of the acquisition of RRSB in December 2020 of RM0.84 million, which was absent in FY2020. Financing cost incurred by RRSB was mainly derived from interest expenses incurred for lease liabilities.

Income tax (expense)/credit

Income tax expense of RM5.69 million was incurred in FY2021, as compared to income tax credit of RM0.21 million recorded in FY2020. This was due to (i) income tax expense incurred for FY2021 of RM0.89 million; (ii) underprovision of income tax in prior years amounting to RM4.39 million; and (iii) additional deferred tax liabilities which were underprovided in prior years of RM0.47 million, partially offset by deferred income tax for FY2021 of RM0.05 million. Please refer to the review of the current liabilities under the section entitled “(b) Review of Financial Position of the Group” below, for more information on point (ii) above.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

(Loss)/Profit before income tax

As a result of the above, the Group recorded loss after tax of RM10.37 million for FY2021, as compared to a profit after tax of RM8.46 million for FY2020.

(b) Review of Financial Position of the Group

Non-current assets

Non-current assets, which comprised property, plant and equipment, right-of-use assets and intangible assets, decreased by RM6.54 million or 6.0%, from RM114.85 million as at 31 December 2020 to RM108.31 million as at 31 December 2021. The decrease in property, plant and equipment and right-of-use assets was due to the depreciation and amortisation of RM7.45 million being recognised for FY2021, partially offset by (i) the additions of property, plant and equipment amounting to RM0.62 million; and (ii) the additions of right-of-use assets of RM0.29 million, in FY2021.

Current assets

Current assets increased by RM13.77 million or more than 100%, from RM12.05 million as at 31 December 2020 to RM25.82 million as at 31 December 2021. The increase was mainly due to increase in (i) cash and bank balances of RM10.58 million from the completion of a private placement of new ordinary shares in the capital of the Company in October 2021; and (ii) trade and other receivables of RM3.69 million which mainly arose from the cooperation fees from SL Gulf.

The increase in current assets was partially offset by the decreases in inventories, prepayments and income tax recoverable. Inventories decreased by RM0.20 million mainly due to provision for slow moving inventory of RM0.15 million. Prepayments decreased by RM0.05 million mainly due to charge out of prepaid expenses. Income tax recoverable was absent as at 31 December 2021 due to tax credit utilised against balance tax payment for FY2021.

Equity

Equity increased by RM1.91 million, or 2.95%, from RM64.71 million as at 31 December 2020 to RM66.62 million as at 31 December 2021. The increase was due to the completion of a private placement of new ordinary shares in the capital of the Company in October 2021 of RM11.21 million and an increase in share of non-controlling interests of RM3.74 million, partially offset by the loss recorded for FY2021 of RM11.80 million and the decrease in capital reserve of RM1.25 million.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Non-current liabilities

Non-current liabilities decreased by RM1.85 million, or 4.17%, from RM44.36 million as at 31 December 2020 to RM42.51 million as at 31 December 2021. The decrease was mainly due to the decrease in (i) lease liabilities of RM2.73 million as a result of reclassification from non-current liabilities to current liabilities; (ii) borrowings of RM1.28 million due to both repayment of borrowings and reclassification from non-current to current liabilities; and (iii) contract liabilities (being deferred revenue of admission fees to theme parks) of RM0.08 million due to utilisation by the customers. This was partially offset by the increase in (i) amount due to a Director of the Company of RM1.24 million as a result of additional loan drawdown and the increase in interest payable; (ii) provisions of RM0.60 million due to increase in provision for restoration cost in Escape Penang and Escape Challenge at Paradigm Mall; and (iii) additional provision of deferred tax liabilities during the year for the Group of RM0.41 million.

Current liabilities

Current liabilities increased by RM7.17 million, or 40.2%, from RM17.83 million as at 31 December 2020 to RM25.0 million as at 31 December 2021. The increase was mainly due to the increase in:

- (i) lease liabilities of RM1.89 million in relation to right-of-use assets as a result of reclassification from non-current liabilities to current liabilities;
- (ii) contract liabilities (being deferred revenue of admission fees to theme park) of RM1.47 million in line with the increase in the Group's revenue;
- (iii) borrowings of RM1.07 million due to reclassification from non-current liabilities to current-liabilities; and
- (iv) income tax liabilities of RM4.63 million as at 31 December 2021 (31 December 2020: Nil) as a result of:
 - (a) a one-off income tax payable for the years 2013 to 2017 which amounted to an aggregate sum of RM3.86 million payable by the Company's indirect wholly-owned subsidiary, Sim Leisure Adventureplay Sdn Bhd ("SLA"), in 34 instalments over a period of 34 months. The aforesaid income tax was assessed by Inland Revenue of Malaysia ("IRB") to be payable by SLA in view of SLA being not able to meet the criteria for being a pioneer status company. SLA has since filed an appeal against the aforesaid tax assessments and the Company will update shareholders on any material developments on this matter. SLA was earlier granted the pioneer status by the Malaysian Investment Development Authority ("MIDA") in May 2014 for 5 years from November 2012 to November 2017, which was further extended for another 5 years, whereby 70% of the taxable income subject to pioneer status is exempted from corporate income tax. Pioneer status is an incentive in the form of tax exemption granted to SLA as a theme park operator for its tourism project "Escape Adventureplay" from MIDA; and
 - (b) balance of RM0.77 million representing the tax expenses of the Group for FY2021.



F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

The increase was partially offset by the decrease in (i) trade and other payables of RM0.92 million due to faster repayment by the Group; and (ii) amount due to a director of the Company of RM0.98 million as a result of repayment of debt.

Working Capital Position

The Group recorded a positive working capital position of RM0.82 million as at 31 December 2021, as compared to a negative working capital position of RM5.78 million as at 31 December 2020.

(c) Review of Statement of Cash Flow of the Group

The Group's net cash generated from operating activities amounted to RM2.55 million for FY2021, which comprised operating cash inflow before changes in working capital of approximately RM6.40 million, net working capital outflow of RM3.45 million which was mainly due to increase in trade and other receivables, and income tax payment of RM0.40 million.

The Group's net cash used in investing activities for FY2021 amounted to RM0.62 million. This was due to the additional development cost capitalised for the continuous development of the Group's theme parks.

The Group's net cash generated from financing activities for FY2021 amounted to RM8.63 million. This was mainly due to proceeds from the aforementioned private placement of RM11.21 million and proceeds from loan from a director of RM1.0 million, partially offset by repayment of finance lease obligations of RM2.56 million, repayment of loans and borrowings of RM0.34 million as well as interest paid of RM0.67 million.

As a result of the above and taking into account the effect of changes in rate differences, the Group's cash and bank balances increased by RM10.56 million, from RM7.03 million as at 1 January 2021 to RM17.59 million as at 31 December 2021.

4. 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 or prospect statement has been previously disclosed to shareholders.

5. 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 actively exploring options with KidZania Mexico to expand the KidZania franchise to other Asian countries. Also, the Group is actively negotiating with various mall operators to construct similar operations as ESCAPE Challenge Paradigm Mall in the state of Selangor.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

The Group continues to monitor the COVID-19 pandemic closely as it 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 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 circumstances, the Group expects to continue to receive cooperation fee pursuant to the cooperation agreement with SL Gulf.

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.

Following the reopening of the Group's theme parks towards end of October 2021, the management continues to adhere to the strict compliance of the standard operating procedure as introduced by Malaysia government such as social distancing and controlling visitors' entrance to the park.

6. Dividend information

(a) Current Financial Period Reported On

Any dividend declared/proposed for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(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.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

- (e) **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 FY2021 as the Group recorded net loss for FY2021 and the Board of Directors of the Company deems it appropriate to conserve cash for the Group's business operations in view of the COVID-19 pandemic.

7. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2021	FY2020
	RM	RM
Ordinary	-	-
Preference	-	-
Total	-	-

8. Interested person transactions

The Company has obtained a general mandate from its shareholders for interested person transactions ("**IPT Mandate**") at the Company's extraordinary general meeting held on 14 June 2021. Please refer to the Company's circular to shareholders dated 28 May 2021 for more information. No transactions were conducted under the IPT Mandate in FY2021.



F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Details of the interested person transactions⁽¹⁾ for the financial year are as follows:

Name of Interested Person / Description of Transactions	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions the financial period under review which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		RM'000	RM'000
Tan Boon Seng / Acquisition of 20% equity interest in RRSB	Non-Independent Non-Executive Director of the Company	1,060	-
Tan Boon Seng / Interest charged on loan granted to a wholly-owned subsidiary of the Company ⁽²⁾	Non-Independent Non-Executive Director of the Company	481	-
Sim Leisure Gulf Contracting L.L.C. / Cooperation Fee ⁽³⁾	An associate of Mr Sim Choo Kheng (Executive Director and CEO, as well as a controlling shareholder of the Company) and Ms Silviya Georgieva Georgieva (Executive Director of the Company)	5,209	-
Total		6,750	-

(1) The Company had inadvertently disclosed an error in the previous results announcement for the six months ended 30 June 2021 ("1HFY2021") dated 13 August 2021 that the Group had entered into certain transactions with Sim Leisure Consultants Sdn Bhd ("Sim Leisure Consultants"), an associate of Mr Sim Choo Kheng (Executive Director and CEO, as well as a controlling shareholder of the Company) and Ms Silviya Georgieva Georgieva (Executive Director of the Company), amounting to an aggregate value of RM481,000 for the construction and maintenance works on behalf of the Group in 1HFY2021. The Company has subsequently



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

confirmed that there were no such transactions between Sim Leisure Consultants and the Group in 1HFY2021 and FY2021.

- (2) Pursuant to the loan agreement entered into between Company's wholly-owned subsidiary, Sim Leisure Escape Sdn Bhd, and Mr Tan Boon Seng on 20 November 2020 (as supplemented from time to time), which has been announced by the Company on 24 November 2020. Please refer to the Company's announcements dated 24 November 2020, 30 November 2020, 17 February 2021 and 30 December 2021, for more information on the loan agreement.
- (3) Pursuant to the cooperation agreement entered into between the Company's 60%-owned subsidiary, Sim Leisure Creative Pte. Ltd., and SL Gulf on 9 December 2020, which has been approved by independent shareholders of the Company at the Company's extraordinary general meeting held on 20 November 2020. Please refer to the Company's announcement dated 9 December 2020 and the Company's circular to shareholders dated 5 November 2020, for more information on the cooperation agreement.

9. 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) of the Catalist Rules

The Company confirms that it has procured and received all the required undertakings from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

10. Acquisition or realisation of shares in subsidiaries and/or associated companies under Rule 706(A) of the Catalist Rules

(a) Disposal of 20% shareholdings in RRSB

The Company's wholly-owned subsidiary, Sim Leisure Escape Sdn. Bhd. had on 12 July 2021 disposed 6,120,000 ordinary shares, representing 20% of the equity interest in RRSB, to Pronto Generasi Sdn. Bhd. ("PGSB") for a total consideration of RM1,060,000 ("Consideration") ("Disposal of 20% of RRSB"). PGSB is an associate of Mr Tan Boon Seng ("Mr Tan"), who is a Director of the Company, as well as a controlling shareholder of the Company.

The Consideration of RM1,060,000 will be satisfied by way of a partial setoff against the current portion of the loan amount due by the Group to Mr Tan.

The Consideration was arrived at on a willing buyer-willing seller basis, taking into account, *inter alia*, RRSB's assets and operations. Based on the latest audited financial statements of RRSB as at 31 December 2020, the net asset value of RRSB was RM15,732,943 and, accordingly, the net asset value of RRSB attributable to 20% of the equity interest in RRSB was RM3,146,589. The Consideration, being the transaction value for the Disposal of 20% of RRSB, represented approximately 1.67% of the Group's latest audited net tangible assets for the financial year ended 31 December 2020 of RM63,343,065.



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

Following the completion of the Disposal of 20% of RRSB, Sim Leisure Escape Sdn. Bhd. continues to hold 80% of the equity interest in RRSB.

(b) Incorporation of subsidiaries – The Cool Melon Pte. Ltd. and The Cool Melon Sdn. Bhd.

The Company had, on 6 September 2021, incorporated a 51%-owned subsidiary, The Cool Melon Pte. Ltd. (“**Cool Melon PL**”), in Singapore. The balance 49% shareholdings in Cool Melon PL are held by Ticket2U Pte. Ltd., whose shareholders and directors are unrelated to the Company, its directors and controlling shareholders, and their respective associates. Cool Melon PL has an issued and fully paid-up share capital of SGD\$10.00 comprising ten (10) issued and fully paid-up shares. Its principal activity is to carry out business in the development of E-Commerce application and Information Technology Consultancy.

Subsequently, the Company had, on 11 October 2021, incorporated an indirect wholly-owned subsidiary, The Cool Melon Sdn. Bhd. (“**Cool Melon SB**”), in Malaysia. Cool Melon SB has an issued and fully paid-up share capital of RM2.00 comprising two (2) issued and fully paid-up shares. Its principal activity is to carry out business in the development of new attractions ticketing digitalisation in Malaysia market and Information Technology Consultancy.

The incorporations of Cool Melon PL and Cool Melon SB were funded by the Group’s internal resources and have no material impact on the consolidated net tangible assets per share and earnings per share of the Company and the Group for FY2021.

Save for their interests arising by way of their shareholdings in the Company and/or directorships in the Group, as the case may be, none of the Directors, the controlling shareholders of the Company, and their respective associates, has any interest, director indirect, in the incorporations of Cool Melon PL and Cool Melon SB.

Save for the above, the Group does not have any acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period up to 31 December 2021.

11 Use of Proceeds

The Company refers to its announcements dated 1 September 2021, 8 October 2021, 15 October 2021 and 19 October 2021 as well as the Company’s circular to shareholders dated 23 September 2021 (the “**Circular**”) in relation to the proposed issue of 17,717,700 new ordinary shares at an issue price of S\$0.205 per new ordinary share in the capital of the Company (“**Subscription**”).

Pursuant to the Subscription, the Company raised net proceeds amounting to approximately S\$3,592,000, after deducting expenses incurred in connection with the Subscription as set out in the Company’s announcement dated 1 September 2021 and the Circular (the “**Net Proceeds**”).



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F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

The Company wishes to provide an update on the utilisation of the Net Proceeds as follows:

Use of Net Proceeds	Allocation of Net Proceeds (\$\$'000)	Net Proceeds utilised up to 31 December 2021 (\$\$'000)	Balance of Net Proceeds as at 31 December 2021 (\$\$'000)
Funding of potential growth and expansion or diversification	2,514	-	2,514
General working capital	1,078	(650) ⁽¹⁾	428
Total	3,592	(650)	2,942

Note:

- (1) The breakdown of Net Proceeds being utilised in general working capital were utilised as follows:

Summary of Expenses	Working Capital (\$\$'000)
Staff Cost	470
Marketing and Promotional Expenses	60
Repair and Maintenance	60
Utility Bills	60
Total	650

The above utilisation of the Net Proceeds is in accordance with the intended use and allocation as set out in the Company's announcement dated 1 September 2021 and the Circular.

The Company will provide periodic announcements on the utilisation of the balance of the Net Proceeds as and when such proceeds are materially disbursed. The Company will also provide a status report on the use of the Net Proceeds in its annual report(s) and financial results announcement(s).

12 Confirmation by the Board pursuant to Rule 705(5) of the Catalist Rules

Not applicable for full year results.



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

F. OTHER INFORMATION REQUIRED PURSUANT TO APPENDIX 7C OF THE CATALIST RULES (CONT'D)

- 13 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 in FY2021.

BY ORDER OF THE BOARD

Sim Choo Kheng
Executive Director and Chief Executive Officer

Silviya Georgieva Georgieva
Executive Director

28 February 2022