



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

## **SIM LEISURE GROUP LTD. AND ITS SUBSIDIARIES**

### **CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023**

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange"), and the Exchange 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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CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

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**A. CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Notes	Group		
		6 months ended 30 Jun		
		2023	2022	Change
		RM	RM	%
		(Unaudited)	(Unaudited)	
<b>Revenue</b>	6	55,593,272	26,571,119	> 100
Cost of sales		(35,797,519)	(8,570,969)	> 100
<b>Gross profit</b>		19,795,753	18,000,150	10.0
Other income		7,173,004	429,095	> 100
Administrative expenses		(11,433,181)	(5,073,879)	> 100
Finance costs		(1,156,095)	(1,111,227)	4.0
<b>Profit before income tax</b>	7	14,379,481	12,244,139	17.4
Income tax expense	8	(2,312,939)	(2,136,592)	8.3
Profit for the financial period, net of tax		12,066,542	10,107,547	19.4
<b>Other Comprehensive Income</b>				
<b><u>Items that may be reclassified subsequently to profit or loss:</u></b>				
Currency translation differences arising from consolidation		899,365	122,889	>100
<b>Total other comprehensive income for the financial period, net of tax</b>		899,365	122,889	>100
<b>Total comprehensive income for the financial period</b>		12,965,907	10,230,436	26.7
<b>Profit attributable to:</b>				
- Owners of the parent		8,834,310	8,383,971	5.4
- Non-controlling interests		3,232,232	1,723,576	87.5
		12,066,542	10,107,547	19.4
<b>Total Comprehensive income attributable to:</b>				
- Owners of the parent		9,372,967	8,457,704	10.8
- Non-controlling interests		3,592,940	1,772,732	>100
		12,965,907	10,230,436	26.8
<b>Profit per share<sup>(1)</sup> attributable to owners of the parent for the financial period (cents per share)</b>				
Basic and Diluted <sup>(2)</sup>		5.34	5.07	

(1) Computed based on profit attributable to owners of the parent for the respective financial period divided by the weighted average number of ordinary shares in issue during the respective financial period. The weighted average number of ordinary shares for the six months ended 30 June 2023 and six months ended 30 June 2022 are both at 165,365,200.

(2) The Company did not have any dilutive instruments. Hence, the basic and fully diluted profit per share are the same for the respective financial periods.



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## B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Notes	Group		Company	
		As at 30 Jun 2023 RM (Unaudited)	As at 31 Dec 2022 RM (Audited)	As at 30 Jun 2023 RM (Unaudited)	As at 31 Dec 2022 RM (Audited)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	11	80,452,137	80,599,663	-	-
Right-of-use assets		24,530,456	25,350,306	-	-
Intangible assets	12	1,061,292	1,122,436	-	-
Investment in subsidiaries		-	-	52,738,471	52,131,668
<b>Total non-current assets</b>		<b>106,043,885</b>	<b>107,072,405</b>	<b>52,738,471</b>	<b>52,131,668</b>
<b>Current assets</b>					
Cash and bank balances		32,654,324	36,693,732	6,142,414	5,147,113
Trade and other receivables		37,363,925	13,138,612	7,028,326	18,449,204
Contract assets		3,776,116	-	-	-
Inventories		176,460	307,126	-	-
Prepayments		1,397,747	762,740	31,399	5,426
Income tax recoverable		1,797,529	207,882	-	-
<b>Total current assets</b>		<b>77,166,101</b>	<b>51,110,092</b>	<b>13,202,139</b>	<b>23,601,743</b>
<b>Total assets</b>		<b>183,209,986</b>	<b>158,182,497</b>	<b>65,940,610</b>	<b>75,733,411</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	15	66,574,608	66,574,608	66,574,608	66,574,608
Capital reserve		68,756	68,756	1,328,829	1,328,829
Merger reserve		(12,700,040)	(12,700,040)	-	-
Foreign exchange translation reserves		716,097	177,440	-	-
Retained earnings/(Accumulated losses)		31,640,143	31,074,093	(3,175,717)	5,956,411
Equity attributable to owners of the parent		<b>86,299,564</b>	<b>85,194,857</b>	<b>64,727,720</b>	<b>73,859,848</b>
Non-controlling interests		8,476,570	6,030,430	-	-
<b>Total equity</b>		<b>94,776,134</b>	<b>91,225,287</b>	<b>64,727,720</b>	<b>73,859,848</b>
<b>Non-current liabilities</b>					
Borrowings	13	4,316,600	5,321,781	-	-
Amount due to a director	13	3,438,754	3,887,500	-	-
Provisions		7,102,965	4,713,643	-	-
Lease liabilities		20,633,408	20,802,269	-	-
Deferred tax liabilities		8,512,127	8,441,620	-	-
Contract liabilities	14	254,450	231,796	-	-
<b>Total non-current liabilities</b>		<b>44,258,304</b>	<b>43,398,609</b>	<b>-</b>	<b>-</b>



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**B. CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION (CONT'D)**

	Notes	Group		Company	
		As at	As at	As at	As at
		30 Jun 2023	31 Dec 2022	30 Jun 2023	31 Dec 2022
		RM (Unaudited)	RM (Audited)	RM (Unaudited)	RM (Audited)
<b>Current liabilities</b>					
Trade and other payables		19,723,750	10,020,013	1,212,890	1,868,192
Borrowings	13	3,764,241	3,458,244	-	-
Amount due to directors	13	8,541,960	897,500	-	-
Lease liabilities		2,786,467	2,776,179	-	-
Contract liabilities	14	3,641,599	1,693,849	-	-
Income tax payable		5,717,531	4,712,816	-	5,371
<b>Total current liabilities</b>		<b>44,175,548</b>	<b>23,558,601</b>	<b>1,212,890</b>	<b>1,873,563</b>
<b>Total liabilities</b>		<b>88,433,852</b>	<b>66,957,210</b>	<b>1,212,890</b>	<b>1,873,563</b>
<b>Total equity and liabilities</b>		<b>183,209,986</b>	<b>158,182,497</b>	<b>65,940,610</b>	<b>75,733,411</b>



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### C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

	Share capital	Capital reserve	Merger reserve	Currency translation reserve	Retained earnings	Equity attributable to owner of the parents	Non-controlling interest	Total equity
	RM	RM	RM	RM	RM	RM	RM	RM
<b>Group 1H2023</b>								
Balance as at 1 January 2023	66,574,608	68,756	(12,700,040)	177,440	31,074,093	85,194,857	6,030,430	91,225,287
Profit for the financial period	-	-	-	-	8,834,310	8,834,310	3,232,232	12,066,542
<b>Other Comprehensive Income:</b>								
Currency translation differences arising from consolidation	-	-	-	538,657	-	538,657	360,708	899,365
<b>Total Comprehensive Income for the financial period</b>	-	-	-	538,657	8,834,310	9,372,967	3,592,940	12,965,907
<b>Transaction with owners of the parent</b>								
Dividend paid	-	-	-	-	(8,268,260)	(8,268,260)	-	(8,268,260)
<b>Transactions with non-controlling interests</b>								
Subscription shares in a subsidiary	-	-	-	-	-	-	133,200	133,200
Dividends paid to non-controlling interests in subsidiary	-	-	-	-	-	-	(1,280,000)	(1,280,000)
	-	-	-	-	-	-	(1,146,800)	(1,146,800)
<b>Balance as at 30 June 2023 (unaudited)</b>	<b>66,574,608</b>	<b>68,756</b>	<b>(12,700,040)</b>	<b>716,097</b>	<b>31,640,143</b>	<b>86,299,564</b>	<b>8,476,570</b>	<b>94,776,134</b>
<b>Group 1H2022</b>								
Balance as at 1 January 2022	66,574,608	116,678	(12,700,040)	781	8,913,288	62,905,315	3,717,527	66,622,842
Profit for the financial period	-	-	-	-	8,383,971	8,383,971	1,723,576	10,107,547
<b>Other Comprehensive Income:</b>								
Currency translation differences arising from consolidation	-	-	-	73,733	-	73,733	49,156	122,889
<b>Total Comprehensive Income for the financial period</b>	-	-	-	73,733	8,383,971	8,457,704	1,772,732	10,230,436
Prior year changes in ownership interest in subsidiary with no changes in control	-	2,705	-	-	-	2,705	-	2,705
<b>Transactions with non-controlling interest</b>								
Dividend paid	-	-	-	-	-	-	(1,625,000)	(1,625,000)
<b>Balance as at 30 June 2022 (unaudited)</b>	<b>66,574,608</b>	<b>119,383</b>	<b>(12,700,040)</b>	<b>74,514</b>	<b>17,297,259</b>	<b>71,365,724</b>	<b>3,865,259</b>	<b>75,230,983</b>



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**C. CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONT'D)**

	Share capital	Capital reserve	Retained earnings/(accumulated losses)	Total equity
<b>Company 1H2023</b>	RM	RM	RM	RM
Balance as at 1 January 2023	66,574,608	1,328,829	5,956,411	73,859,848
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(863,868)	(863,868)
Dividend paid, representing total distribution to owners of the parent	-	-	(8,268,260)	(8,268,260)
<b>Balance as at 30 June 2023 (unaudited)</b>	<b>66,574,608</b>	<b>1,328,829</b>	<b>(3,175,717)</b>	<b>64,727,720</b>

	Share capital	Capital reserve	Accumulated losses	Total equity
<b>Company 1H2022</b>	RM	RM	RM	RM
Balance as at 1 January 2022	66,574,608	1,328,829	(4,176,758)	63,726,679
Profit for the financial period, representing total comprehensive income for the financial period	-	-	1,750,045	1,750,045
<b>Balance as at 30 June 2022 (unaudited)</b>	<b>66,574,608</b>	<b>1,328,829</b>	<b>(2,426,713)</b>	<b>65,476,724</b>



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#### D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	6 months ended 30 Jun	
	2023	2022
	RM	RM
<b>Operating activities</b>		
Profit/(loss) before income tax	14,379,480	12,244,139
Adjustments for:		
Depreciation of property, plant and equipment	2,245,086	2,650,200
Depreciation of right-of-use assets	890,128	872,756
Accretion for restoration cost	215,927	136,493
Amortisation of intangible asset	61,144	61,144
Impairment loss on trade receivables written back	-	(81,099)
Gain on bargain purchase	(6,729,599)	-
Gain on disposal of property, plant and equipment	(2,133)	-
Interest expense	1,156,095	1,111,227
Interest income	(364,146)	(17,632)
Unrealised foreign exchange (gain)/loss	(189,032)	(232,304)
<b>Operating cash flows before working capital changes</b>	<b>11,662,950</b>	<b>16,744,924</b>
Working capital changes:		
Inventories	130,666	122,518
Trade and other receivables	7,091,194	(3,768,254)
Contract assets	(3,776,116)	-
Prepayments	(635,007)	(169,334)
Trade and other payables	(3,800,040)	(782,571)
Contract liabilities	1,970,404	(936,928)
<b>Cash generated from operations</b>	<b>12,644,051</b>	<b>11,210,355</b>
Income tax paid	(2,924,021)	(963,285)
<b>Net cash from operating activities</b>	<b>9,720,030</b>	<b>10,247,070</b>
<b>Investing activities</b>		
Purchase of plant and equipment	(2,026,318)	(2,238,349)
Proceeds from disposal of plant and equipment	21,585	-
Effect on acquisition of subsidiary, net of cash acquired	1,597,942	-
<b>Net cash used in investing activities</b>	<b>(406,791)</b>	<b>(2,238,349)</b>
<b>Financing activities</b>		
Proceeds from issuance of shares to non-controlling interests	133,200	-
Repayment of loan from a director	(953,939)	(602,196)
Dividends paid to members of the Company	(8,268,260)	-
Repayment of borrowings	(2,478,666)	(2,564,644)
Dividend paid to non-controlling interest by a subsidiary	(1,280,000)	(1,625,000)
Principal payment of lease liability	(158,573)	(728,709)
Interest paid on borrowings and lease liabilities	(973,710)	(893,129)
Interest received	271,335	17,632
Changes in pledged fixed deposits	(4,061,584)	(9,837)
<b>Net cash used in financing activities</b>	<b>(17,770,197)</b>	<b>(6,405,883)</b>





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**D. CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)**

	Group	
	6 months ended 30 Jun	
	2023	2022
	RM	RM
Net (decrease) / increase in cash and cash equivalents	(8,456,958)	1,602,838
Effect of foreign exchange translation	355,966	237,874
Cash and cash equivalents at beginning of financial period	35,618,043	17,594,748
<b>Cash and cash equivalents at end of financial period</b>	<b>27,517,051</b>	<b>19,435,460</b>
<b>Cash and cash equivalents comprise the following:-</b>		
Cash and bank balances (as per Condensed Interim Statements of Financial Position)	32,654,324	20,508,832
Less: Fixed deposits pledged for banking facilities	(5,137,273)	(1,073,372)
<b>Cash and cash equivalents (as per Condensed Interim Statement of Cash Flow)</b>	<b>27,517,051</b>	<b>19,435,460</b>



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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. This condensed interim consolidated financial statements as at and for the six months ended 30 June 2023 (“**1H2023**”) comprise the financial information of 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 1H2023 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 annual consolidated financial statements for the year ended 31 December 2022.

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 year ended 31 December 2022, which were prepared in accordance with SFRS(I)s, except for the adoption of new and revised standards as set out in Note 2.1 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.

#### 2.1 New and amended standards adopted by the Group

A number of amendments to Singapore Financial Reporting Standards (International) have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.



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

### **2.2 Use 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 year ended 31 December 2022 as included in the Annual Report for the financial year ended 31 December 2022

### **3. Seasonal operations**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the six months ended 30 June 2023.

### **4. Segment and revenue information**

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 two primary business segments, which is that of theme park operations and events and themed attraction construction (1H2022: theme park operations and royalty income derived from relevant cooperation agreements entered with the Group's customers). Revenue from theme park operations and events is derived from ticketing, food and beverages, merchandising sales and other services rendered from operating theme parks in Malaysia. Revenue from theme attractions construction is derived from the business of design and construction of theme attractions in theme parks as well as theme features mainly for restaurants and hotels to related companies as well as third parties. Revenue from royalty income as disclosed in 1H2022 was derived through the licensing of the "Sim Leisure" brand name to the Group's customers.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit/(loss) before income tax, as included in the internal management reports that are reviewed by the Chief Executive Officer of the Company. Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.



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

### 4.1 Business segments

<b>1H2023</b>	<b>Theme Attractions Construction <sup>(1)</sup></b>		<b>Royalties</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
	<b>Theme Park</b>	<b>Construction <sup>(1)</sup></b>				
<b>Revenue</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Sales to external parties	26,422,064	29,171,208	-	-	-	55,593,272
Inter-segment sales	475,168	2,344,773	-	-	(2,819,941)	-
<b>Total</b>	<b>26,897,232</b>	<b>31,515,981</b>	<b>-</b>	<b>-</b>	<b>(2,819,941)</b>	<b>55,593,272</b>
<b>Results</b>						
Segment results	8,796,025	3,907,592	-	2,624,122	(156,309)	15,171,430
Finance income	356,804	-	-	7,342	-	364,146
Finance cost	(1,033,703)	(122,392)	-	-	-	(1,156,095)
<b>Profit before tax</b>	<b>8,119,126</b>	<b>3,785,200</b>	<b>-</b>	<b>2,631,464</b>	<b>(156,309)</b>	<b>14,379,481</b>
Tax expense`	(2,210,939)	(102,000)	-	-	-	(2,312,939)
<b>Profit for the period</b>	<b>5,908,187</b>	<b>3,683,200</b>	<b>-</b>	<b>2,631,464</b>	<b>(156,309)</b>	<b>12,066,542</b>
<b>Significant non-cash items</b>						
Accretion of restoration cost	215,927	-	-	-	-	215,927
Depreciation and amortization	3,141,429	54,929	-	-	-	3,196,358
Unrealised foreign exchange gain	(57,507)	(97,859)	-	(33,666)	-	(189,032)
<b>As at 30 June 2023</b>						
<b>Assets</b>						
Segment assets	131,308,165	38,372,595	-	84,460,408	(72,728,711)	181,412,457
Tax recoverable	1,797,529	-	-	-	-	1,797,529
<b>Total assets</b>	<b>133,105,694</b>	<b>38,372,595</b>	<b>-</b>	<b>84,460,408</b>	<b>(72,728,711)</b>	<b>183,209,986</b>
<b>Liabilities</b>						
Segment liabilities	59,542,481	21,844,960	-	13,817,520	(21,000,767)	74,204,194
Deferred tax liabilities	7,079,907	1,432,220	-	-	-	8,512,127
Current tax payable	5,142,397	575,134	-	-	-	5,717,531
<b>Total liabilities</b>	<b>71,764,785</b>	<b>23,852,314</b>	<b>-</b>	<b>13,817,520</b>	<b>(21,000,767)</b>	<b>88,433,852</b>

Note <sup>(1)</sup> – Theme Attractions Construction is a new business segment in 1H2023 comprising SL Gulf and SL Makers, following the completion of acquisition of SL Gulf in January 2023 as disclosed in the Company's announcement dated 31 January 2023; and the incorporation of SL Makers in 2H2022 as disclosed in the Company's announcement dated 22 September 2022 and which became active during 1H2023.



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

### 4.1 Business segments (cont'd)

<u>1H2022</u>	Theme Park	Theme Attractions Construction	Royalties	Others	Eliminations	Total
<u>Revenue</u>	RM	RM	RM	RM	RM	RM
Sales to external parties	22,108,819	-	4,462,300	-	-	26,571,119
Inter-segment sales	-	-	-	-	-	-
<b>Total</b>	<b>22,108,819</b>	<b>-</b>	<b>4,462,300</b>	<b>-</b>	<b>-</b>	<b>26,571,119</b>
<b>Results</b>						
Segment results	9,598,976	-	4,438,205	1,738,053	(2,437,500)	13,337,734
Finance income	10,434	-	73	7,125	-	17,632
Finance cost	(1,111,227)	-	-	-	-	(1,111,227)
<b>Profit before tax</b>	<b>8,498,183</b>	<b>-</b>	<b>4,438,278</b>	<b>1,745,178</b>	<b>(2,437,500)</b>	<b>12,244,139</b>
Tax expense	(1,382,085)	-	(754,507)	-	-	(2,136,592)
<b>Profit for the period</b>	<b>7,116,098</b>	<b>-</b>	<b>3,683,771</b>	<b>1,745,178</b>	<b>(2,437,500)</b>	<b>10,107,547</b>
<b>Significant non-cash items</b>						
Accretion of restoration cost	136,493	-	-	-	-	136,493
Depreciation and amortization	3,584,100	-	-	-	-	3,584,100
Impairment of trade receivables written back	(81,099)	-	-	-	-	(81,099)
Unrealised foreign exchange gain	(24,767)	-	-	(207,537)	-	(232,304)
<b>As at 30 June 2022</b>						
<b>Assets</b>						
Segment assets	125,532,380	-	8,704,405	66,478,300	(61,986,678)	138,728,407
Tax recoverable	179,259	-	-	-	-	179,259
<b>Total assets</b>	<b>125,711,639</b>	<b>-</b>	<b>8,704,405</b>	<b>66,478,300</b>	<b>(61,986,678)</b>	<b>138,907,666</b>
<b>Liabilities</b>						
Segment liabilities	65,311,645	-	3,342,214	1,013,059	(15,527,413)	54,139,505
Deferred tax liabilities	3,530,000	-	-	-	-	3,530,000
Current tax payable	4,789,552	-	1,217,627	-	-	6,007,179
<b>Total liabilities</b>	<b>73,631,197</b>	<b>-</b>	<b>4,559,841</b>	<b>1,013,059</b>	<b>(15,527,413)</b>	<b>63,676,684</b>



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

### 4.2 Geographical segments

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue from external customers RM 1H FY2023	Non-Current assets RM 30 June 2023	Total assets RM
Malaysia	32,967,100	105,883,077	138,433,823
Singapore	-	2,499	3,277,835
United Arab Emirates	22,626,172	158,309	34,085,965
Kingdom of Saudi Arabia	-	-	7,412,363
	<b>55,593,272</b>	<b>106,043,885</b>	<b>183,209,986</b>

	Revenue from external customers RM 1H FY2022	Non-Current assets RM 30 June 2022	Total assets RM
Malaysia	22,108,819	106,964,874	130,203,261
Singapore	4,462,300	-	8,704,405
	<b>26,571,119</b>	<b>106,964,874</b>	<b>138,907,666</b>

## 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2023 and 31 December 2022:

	Group		Company	
	30 Jun 2023 RM (Unaudited)	31 Dec 2022 RM (Audited)	30 Jun 2023 RM (Unaudited)	31 Dec 2022 RM (Audited)
<b>Financial Assets</b>				
Trade and other receivables	37,363,925	13,138,612	7,028,326	18,449,204
Cash and bank balances	32,654,324	36,693,732	6,142,414	5,147,113
<b>Total</b>	<b>70,018,249</b>	<b>49,832,344</b>	<b>13,170,740</b>	<b>23,596,317</b>
<b>Financial Liabilities</b>				
Trade and other payables	19,723,750	10,020,013	1,212,890	1,868,192
Borrowings	8,080,841	8,780,025	-	-
Lease liabilities	23,419,875	23,578,448	-	-
Amount due to directors	11,980,714	4,785,000	-	-
<b>Total</b>	<b>63,205,180</b>	<b>47,163,486</b>	<b>1,212,890</b>	<b>1,868,192</b>



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

**6 Revenue**

**6.1 Disaggregation of the Group's revenue is as follows:**

	Group	
	1H2023 RM (Unaudited)	1H2022 RM (Unaudited)
<b>Type of good or services</b>		
Admission fees to theme parks	21,131,825	18,788,748
Sale of food, beverages ,merchandise and others	3,134,103	1,840,410
Services rendered	870,041	881,831
Royalties	-	4,462,300
Sponsorship income	1,286,095	597,830
Theme attractions construction income	29,171,208	-
<b>Total</b>	<b>55,593,272</b>	<b>26,571,119</b>
<b>Timing of transfer of goods or services</b>		
At a point in time	25,135,969	21,510,989
Over time	30,457,303	5,060,130
	<b>55,593,272</b>	<b>26,571,119</b>

**7. Profit before income tax**

**7.1 Significant items**

	Group		
	1H2023 RM (Unaudited)	1H2022 RM (Unaudited)	Change %
<b>Other Income</b>			
Finance income from bank deposit	364,146	11,641	>100
One off sponsorship income	-	74,169	(100)
Gain on disposal of PPE	8,700	-	100
Subsidy and other income received	70,559	343,285	(79.4)
Gain on bargain purchase	6,729,599	-	>100
<b>Expenses</b>			
Depreciation of property, plant and equipment	(2,245,086)	(2,650,200)	(15.3)
Depreciation of right-of-use assets	(890,128)	(872,756)	1.9
Finance costs (exclude lease expenses)	(1,156,095)	(1,111,227)	4.0
Repair and parks maintenance expenses	(652,031)	(711,822)	(8.4)
Utilities expense	(619,178)	(390,629)	58.5
Legal and professional fees	(287,087)	(449,437)	(36.1)
Lease expenses	(767,232)	(38,156)	>100
Staff costs	(15,256,239)	(3,073,948)	>100
Realised foreign exchange loss	(331,124)	(595)	>100
Unrealised foreign exchange gain	189,032	232,304	(18.6)



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

**7.2 Related party transactions**

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

**8. Taxation**

	Group	
	1H2023 RM (Unaudited)	1H2022 RM (Unaudited)
<b>Current income tax</b>		
- current financial year	2,242,432	2,136,592
- under provision in prior year	-	-
	<b>2,242,432</b>	<b>2,136,592</b>
<b>Deferred income tax</b>		
- current financial year	70,507	-
- under provision in prior year	-	-
	<b>70,507</b>	<b>-</b>
Total income tax expense recognised in profit or loss	<b>2,312,939</b>	<b>2,136,592</b>

**9. Dividends**

	Group	
	1H2023 RM (Unaudited)	1H2022 RM (Unaudited)
Ordinary dividends paid:		
Final tax exempt 2022 dividend of RM0.05 cents per share (1H2022 : Nil)	8,268,260	-
Dividend per share (net of tax)	0.05	-

**10. Net Asset Value**

	Group		Company	
	30 Jun 2023 RM (Unaudited)	31 Dec 2022 RM (Audited)	30 Jun 2023 RM (Unaudited)	31 Dec 2022 RM (Audited)
Net asset value per ordinary share	52.19	51.52	39.14	44.66





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

**10. Net Asset Value (cont'd)**

The net asset value per ordinary share of the Group and the Company as at 30 June 2023 and 31 December 2022 are calculated based on the total number of issued ordinary shares (excluding treasury shares) of 165,365,200.

**11. Property, plant and equipment**

During the six months ended 30 June 2023, the Group acquired assets amounting to RM2.03 million (1H2022: RM2.24 million) and disposed of assets amounting to RM0.02 million (1H2022: Nil).

**12. Intangible assets**

	License Fees	Group Accounting Software	Total
	RM	RM	RM
<b>As at 31 Dec 2022 (audited)</b>			
Cost	2,445,750	890,372	3,336,122
Accumulated amortisation	(1,323,315)	(890,371)	(2,213,686)
<b>Net book amount</b>	<b>1,122,435</b>	<b>1</b>	<b>1,122,436</b>
<b>6 months ended 30 June 2023</b>			
Cost	-	-	-
Amortisation charges	(61,144)	-	(61,144)
<b>As at 30 June 2023</b>	<b>(61,144)</b>	<b>-</b>	<b>(61,144)</b>
<b>As at 30 June 2023 (unaudited)</b>			
Cost	2,445,750	890,372	3,336,122
Accumulated amortisation	(1,384,459)	(890,371)	(2,274,830)
<b>Net book amount</b>	<b>1,061,291</b>	<b>1</b>	<b>1,061,292</b>

The license fees are amortised over a period of 20 years from the commercial public opening of the Kidzania facility located in Petaling Jaya, Selangor.



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

**13. Borrowings**

	<b>Group and Company</b>	
	<b>30 Jun 2023</b>	<b>31 Dec 2022</b>
	<b>RM</b>	<b>RM</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>
<b>Amount repayable in one year or less, or on demand</b>		
Secured	12,306,201	4,355,744
Unsecured	-	-
<b>Amount repayable after one year</b>		
Secured	7,755,354	9,209,281
Unsecured	-	-

As at 30 June 2023 and 31 December 2022, the Group's borrowings comprised bank overdrafts, term loans, and amount due to Directors 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.

One of 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 Sim Leisure Escape Sdn Bhd.

**14. Contract Liabilities**

	<b>Group</b>	
	<b>1H2023</b>	<b>1H2022</b>
	<b>RM</b>	<b>RM</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current	3,641,599	1,747,246
Non-current	254,450	245,286
<b>Total</b>	<b>3,896,049</b>	<b>1,992,532</b>

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 30 June 2023 is RM3,896,049 (30 June 2022: RM 1,992,532) and is expected to be recognised over the years as follows:



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

**14. Contract Liabilities (Cont'd)**

	Group	
	1H2023 RM (Unaudited)	1H2022 RM (Unaudited)
Within one year	3,641,599	1,747,246
More than 1 year and less than 2 years	254,450	245,286
<b>Total</b>	<b>3,896,049</b>	<b>1,992,532</b>

**15. Share capital**

	Group and Company	
	Number of shares	Share Capital RM
Fully paid ordinary shares with no par value (excluding treasury shares) As at 30 June 2023 and 30 June 2022	<b>165,365,200</b>	<b>66,574,608</b>

There were no changes in the issued and paid-up capital of the Company since 31 December 2022 to 30 June 2023.

As at 30 June 2023, 31 December 2022 and 30 June 2022, the Company did not have any outstanding convertibles, treasury shares or subsidiary holdings. There was no sale, transfer, cancellation and/or use of treasury shares and subsidiary holdings during 1H2023.

**16. Acquisition of a subsidiary**

On 31 January 2023, the Company through its 60% owned subsidiary, Sim Leisure Creative Pte. Ltd., completed the acquisition of 100% of the issued share capital in Sim Leisure Gulf Contracting L.L.C, a themed attractions contractor, for a total cash consideration of RM2,100,000 (the “**Acquisition**”). The Acquisition is expected to complement the existing business of the Group to progress closer towards achieving the Group’s long-term strategy to become a fully integrated theme park contractor, owner and operator. Please refer to the Company’s SGXNET announcements dated 30 November 2022, 13 January 2023 and 31 January 2023 for further details of the Acquisition.

The Group incurred acquisition related costs of RM50,000 relating to external legal fees and due diligences and these have been classified as ‘administrative expenses’ in the condensed statement of profit or loss.



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

**16. Acquisition of a subsidiary (cont'd)**

Identifiable assets acquired and liabilities assumed

	<b>Fair value</b>
	RM
Property and equipment	154,287
Contract receivables	7,808,790
Contract assets	1,862,112
Retention receivable	12,032,702
Advances, deposits and other receivable	6,821,595
Due from related party	776,614
Cash and bank balances	3,697,942
Contract liabilities	(496,558)
Contract and other payables	(13,694,473)
Employees' end of service benefits	(2,305,579)
Due to related party	(6,085,859)
Bank borrowings	(1,741,974)
Net identifiable assets acquired	<u>8,829,599</u>
Less : Gain on bargain purchase	<u>(6,729,599)</u>
Purchase consideration	<u>2,100,000</u>
The effect of the acquisition of subsidiary on the cash flows is as follows:	
Consideration for equity interest acquired	2,100,000
Less : Cash and cash equivalents of the subsidiary acquired	<u>(3,697,942)</u>
Net cash inflow arising from acquisition of subsidiary	<u>(1,597,942)</u>

**17. Subsequent events**

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



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## **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 30 June 2023 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 1H2023 and the explanatory notes have not been audited or reviewed by the Company's auditors.

### **2. Review of the Group's Performance**

#### **(a) Review of Financial Performance of the Group**

##### **Revenue**

The increase in revenue for 1H2023 was mainly contributed by: (i) increase in theme park business performance from RM22.11mil in 1H2022 to RM26.42mil in 1H2023 as a result of strong marketing activities and higher sponsorship revenue generated by the Company's subsidiary, Rakan Riang Sdn Bhd ("RRSB"); (ii) revenue arising from the addition of the theme attractions construction business of RM29.17mil following (a) the completion of the acquisition of Sim Leisure Gulf Contracting L.L.C ("SL Gulf") in the current financial period, and (b) construction revenue contributed from a subsidiary which was incorporated in 2H2022, Sim Leisure Makers Sdn. Bhd. ("SL Makers").

##### **Cost of sales**

Cost of sales increased in 1H2023 as compared to 1H2022 which was mainly contributed by: (i) increase in the costs from the theme park segment corresponding to the increase in revenue generated, which comprised mainly staff costs and other operational and park maintenance expenses; and (ii) inclusion of construction & project cost incurred by the theme attractions construction segment which has a higher cost base as compared to the theme park segment. In particular, there was a significant increase of RM12.18 million in staff cost of which RM9.6 million was incurred by the theme attractions construction segment due to its higher cost base. The significant increase in staff costs resulted in a lower margin for the construction segment, as elaborated in the Gross Profit section below.

##### **Gross Profit**

The Group's gross profit increased by 9.98 percentage points from RM18 million in 1H2022 to RM19.80 million in 1H2023. The Group's gross profit margin decreased from 67.7% in 1H2022 to 35.7% in 1H2023, mainly due to: (i) higher cost from the theme park segment; (ii) inclusion of theme attractions construction segment which yield a lower margin of between 15% to 35% as compared to 48% to 55% for the theme park segment.



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

### **Other income**

Other income increased significantly by RM6.74 million, from RM0.42 million in 1H2022 to RM7.17 million in 1H2023. The increase was mainly due to recognition of a gain on bargain purchase of RM6.73 million arising from the acquisition of SL Gulf during the financial period.

### **Administrative expenses**

Administrative expenses increased by 125 percentage points to RM11.43 million in 1H2023 from RM5.07 million in 1H2022. The increase was mainly due to: (i) the inclusion of administrative expenses from SL Gulf of RM4.3 million which includes the lease expense (short term leases) of RM0.68 million; (ii) pre-operating and administrative cost incurred by the newly incorporated subsidiary in the Kingdom of Saudi Arabia, Sim Leisure Arabia Contracting (“**SL Arabia**”) of RM1.4 million; (iii) increase in the marketing and promotional expenses of RM0.4 million and; (iv) increase in travelling expenses of RM0.26 million.

### **Finance costs**

Finance costs increased by 4 percentage points from RM1.11 million in 1H2022 to approximately RM1.15 million in 1H2023, principally due to increase in term loan interest of RM0.04 million as a result of increased lending rates as well as increase in lease liability interest of RM0.07 million. The increase is offset by savings in overdraft interest of RM0.03 million and reduction in the interest expense from loan due to a director of RM0.04 million as a result of progressive higher principal repayment during 1H2023.

### **Profit after income tax**

As a result of the above, the Group recorded a net profit after tax of RM12.07 million for 1H2023 as compared to a net profit after tax of RM10.11 million for 1H2022.

## **(b) Review of Financial Position of the Group**

### **Non-current assets**

The Group recorded decreases in the non-current assets amounting to an aggregate of RM1.03 million as at 30 June 2023 due to depreciation of both property, plant and equipment and rights of use assets and amortisation of intangible assets, which in turn was partially offset by the additions of property, plant and equipment amounting to RM2.03 million in the same period.

### **Current assets**

Current assets increased as at 30 June 2023 due to (i) the inclusion of current assets from SL Gulf, SL Makers and SL Arabia of RM37.4 million and; (ii) additional increase of RM1.6 million



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

of income tax recoverable from theme park business. The increase was partially offset by the decrease in (i) cash and bank balances of the Group of approximately RM4 million utilised to finance the expansion of the Group's activities and; (ii) decrease in inventory of RM0.13 million following the transfer of inventory from RRSB to an outsourced service provider.

### **Non-current liabilities**

The Group recorded an increase in non-current liabilities as at 30 June 2023 mainly due to inclusion of provisions from SL Gulf of RM2.37 million and increase in deferred tax liabilities provision of RM0.07 million.

The increase is partially offset by the following decreases (i) RM1 million of term loans was reclassified as current liabilities; (ii) RM0.45 million due to a Director of the Company was reclassified as current liability; and (iii) deferred revenue of sponsorship income from theme park segment decreased by RM0.17 million in accordance with recognising the revenue as per the terms of the contracts.

### **Current liabilities**

Current liabilities increased as at 30 June 2023 mainly due to the inclusion of current liabilities from SL Gulf, SL Makers and SL Arabia of RM21.27 million, comprising borrowings from directors, trade and other payables, contract liabilities and bank borrowing. This is offset by the net decrease in current liabilities for theme park segments of RM0.65 million.

### **Working Capital Position**

The Group recorded a positive working capital position of RM33 million as at 30 June 2023, which shows an improvement when compared to the working capital position of RM27.55 million as at 31 December 2022.

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

During 1H2023, the net cash generated from operations amounted to approximately RM9.72 million. This comprises positive operating cash flows before changes in working capital of RM11.66 million, adjusted by net working capital inflow of RM0.98 million and taxes paid of RM2.92 million.

Net cash used in investing activities of RM0.41 million was primarily due to purchase of property, plant and equipment amounting to RM2.02 million off-set by the effect on acquisition of SL Gulf of RM1.59 million.

The Group's net cash used in financing activities for 1H2023 amounted to approximately RM17.77 million, mainly due to repayment of finance lease obligations, lease liabilities, loans and borrowings, interest and dividend paid as well as cash used in pledged fixed deposits for bankers guarantee.



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

**3. 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.

**4. 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 is continuing with its aggressive plans to expand its business in both Malaysia and internationally. This year we have continued to receive numerous enquiries to develop and operate ESCAPE Parks from both landowners and mall operators, who are looking at ways of enhancing their developments through placemaking and offering unique customer lifestyle experiences. The Group had previously announced its plans for two new ESCAPE Adventure Parks being ESCAPE Cameron Highlands and ESCAPE Ipoh. Construction is progressing well with the ESCAPE Ipoh Park which is targeted to open in Quarter 4 of 2023, whereas the ESCAPE Cameron Highlands agreement has lapsed due to delays from the landowner in securing land titles and relevant authorities' approvals. We are currently reviewing new park development opportunities with other landowners and developers in Cameron Highlands. The Company has recently signed two new agreements for ESCAPE Challenge parks in Putrajaya and Johor Bahru with the capex funded by the mall owners, which we plan to launch by Quarter 3 2024. Further, we are currently in negotiations with a mall owner to develop and operate a further two ESCAPE Challenge parks in Selangor and Kuala Lumpur and in advanced discussions for the development and operation of ESCAPE Adventure Parks in the state of Selangor, Kuala Lumpur and Johor Bahru.

On the international front, the Group is currently in active discussions to design, develop and operate new ESCAPE Adventure Parks across the Asia Pacific (including Vietnam, China and Australia), the Middle East (Dubai and Oman) and South Eastern Europe (Greece). Plans for the ESCAPE Ceylon project in Sri Lanka has been put on hold due to the continuing high level of economic risk and financial crisis and associated uncertainty with Sri Lanka for the foreseeable future. Nevertheless, the Group will continue to explore the viability of the Sri Lanka project in the near future should positive developments arise.

The Group has also continued to invest in its existing ESCAPE Penang Park having launched Malaysia's first Pet Friendly destination in May 2023, with the expansion of the Base Camp camping area enabling visitors to stay at ESCAPE with their pets. An outdoor Obstacle Course and Swing Park are currently under construction which is targeted to launch by the year end and are expected to drive corporate team building and the family markets and increase the length of visit.





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

The licensed territory agreement between Sim Leisure Group's wholly owned subsidiary Kids Edutainment Pte Ltd and the licensor KidZania Mexico (KZ Franchises S.A. DE C.V.) was signed on 20 June 2023 and the territory licensing fee was paid in full on 3 July 2023. The Group has on 10 July 2023 completed and settled the asset purchase of all the non-movable assets, fittings and fixtures at the KidZania Singapore facility from the liquidators of Rakan Riang Pte Ltd and fulfilled all outstanding conditions of the Asset Sale Agreement. The tenancy agreement for the former KidZania Singapore premises has been executed with Sentosa Development Corporation on 27 July 2023. Following which, the KidZania Singapore premises was handed over to the Sim Leisure Group on 31 July 2023, with refurbishment works starting from 1 August 2023, and the new look facility expected to be launched by Quarter 1 2024. The Company is currently in active negotiations with a number of leading Singapore and regional brands to secure corporate sponsorship for KidZania Singapore which is an integral part of the KidZania business model.

Following two years of negotiation, the Company has executed a license agreement on 28 July 2023 with leading Australian Hollywood entertainment company Haven XR Holdings Pty Ltd, securing the exclusive licensing rights for South East Asia and China for the revolutionary Cinematic Immersive Adventure virtual reality attraction, where it plans to roll out Haven Cinema Centres in Singapore and Kuala Lumpur concurrently by Quarter 2 2024 ("**HavenXR Commercialisation**"). This exciting new form of entertainment utilises virtual reality to transport visitors to an immersive reality where they become part of the movie.

In respect of the Group's newly acquired theming design and contracting business in the Gulf Cooperation Council region, the Group's 60%-owned indirect subsidiary company, Sim Leisure Arabia Contracting L.L.C was awarded the subcontract theming works for the Six Flags Qiddiya project located in the Kingdom of Saudi Arabia ("**KSA**") for a combined contract sum of about USD23.6 million. The Group expects active mobilisation and construction work of the contract from the 4th quarter of FY2023. The Six Flags Qiddiya Project is a theme park development project to build the KSA's first of its kind theme park spreading across 32 hectares with six themed lands and 28 rides and attractions. (Source: - <https://qiddiya.com/en/venue/six-flags-qiddiya/>).



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

**5. Dividend information**

**(a) Current Financial Period Reported On**

Any dividend declared 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.

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

After deliberation and taking into consideration of the dividend payment made during 1H2023, the Board has adopted a prudent approach to conserve cash for the Group's recently concluded business expansions of KidZania Singapore and HavenXR Commercialisation. Accordingly, no interim dividend has been proposed for 1H2023.



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

**6. Interested person transactions**

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions.

Details of the interested person transactions for 1H2023 are as follows:

Name of interested Person / Description of transactions	Nature of Relationship	Aggregate value of all interested person transaction 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 during the financial period under review which are conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		<b>RM'000</b>	<b>RM'000</b>
Tan Boon Seng / Interest charged on loan granted to a wholly-owned subsidiary of the Company <sup>(1)</sup>	Non-Independent Non-Executive Director of the Company	182	-
Dato Sim Choo Kheng / disposal of shares to a 60% owned subsidiary of the Company <sup>(2)</sup>	Executive Chairman and Executive Director of the Company	2,100	
<b>Total</b>		<b>2,282</b>	

**Notes:**

<sup>(1)</sup> Pursuant to the loan agreement entered into between the 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.



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

(2) The Company's 60% owned subsidiary, SL Creative has on 30 November 2022 entered into a conditional sales and purchase agreement ("**Agreement**") with Dato Sim Choo Kheng to acquire 300 shares of AED1,000 each in SL Gulf representing the entire issued and paid-up share capital of SL Gulf for a cash consideration of RM2,100,000, upon the terms and subject to the conditions in the Agreement ("**Proposed Acquisition**") as announced on 30 November via SGXNet. The Proposed Acquisition was completed on 31 January 2023. Detailed information is available in the Company's announcements dated 30 November 2022 and 31 January 2023.

Save as disclosed above, the Company and its subsidiary corporations have not entered into any IPT exceeding S\$100,000 during the 1H2023.

**7. 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.

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

**Completion of acquisition of SL Gulf Contracting L.L.C**

On 31 January 2023, the Company through its 60% owned subsidiary, Sim Leisure Creative Pte. Ltd. completed the acquisition of 100% of the issued share capital in Sim Leisure Gulf Contracting L.L.C, a themed attractions contractor, for a total cash consideration of RM2,100,000. The acquisition is expected to complement the existing business of the Group to progress closer towards achieving the Group's long-term strategy to become a fully integrated theme park contractor, owner and operator. For further details, please refer to the Company's SGXNET announcements dated 30 November 2022 and 31 January 2023.

**Incorporation of a wholly owned subsidiary**

The Company had on 16 February 2023 incorporated a wholly owned subsidiary, Kids Edutainment Pte Ltd ("**KIDS**") in Singapore for the purpose of undertaking the purchase of all non-movable assets, fittings and fixtures of the discontinued Edutainment Centre KidZania Singapore at the premises situated at 31 Beach View #01-01/02 Singapore 098008 ("**KidZania Singapore Facility**") for a cash purchase consideration of SGD110,000. The issued and paid-up share capital of KIDS is SGD1.00 represented by one (1) ordinary share in KIDS allotted at an issue price of SGD1.00. The intended principal activity of KIDS is to own and operate the KidZania educational and entertainment facility and undertake leisure business. For further details, please refer to the Company's SGXNet announcements dated 12 June 2023 and 10 July 2023.



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

### **Incorporation of an indirect wholly owned subsidiary**

The Company has on 8 March 2023 completed the setting-up and activating exercise of the business entity, a wholly-owned limited liability company, Sim Leisure Arabia Contracting L.L.C. ("**SL Arabia**") in the Kingdom of Saudi Arabia ("**KSA**") which is intended for the purpose of undertaking the business of design and construction of theme attractions in theme parks as well as theme features under the "SIM LEISURE" brand name and authorised products within the territory of the KSA ("**KSA Business**") to be held subsequently through its 60%-owned subsidiary Sim Leisure Creative Pte Ltd. ("**SL Creative**"). This effective formation of SL Arabia was announced on the SGXNet on 31 March 2023.

SL Arabia has completed the registration of the change in ownership on 1 August 2023 which has been reflected accordingly in the relevant commercial license and documentation. This allows SL Arabia to undertake the KSA Business under the SL Creative group which focuses on the business of design, sales and construction of decorative structures and architectural theme parks in the United Arab Emirates and countries of the Gulf Cooperation Council ("**GCC**"). SL Arabia has an issued and fully paid-up share capital of SAR 20,000 comprising twenty (20) issued and fully paid-up shares of SAR1,000 each.

### **Incorporation of a wholly owned subsidiary**

The Company had on 21 July 2023 incorporated a wholly owned subsidiary, The Future is Here Pte Ltd ("**TFIH**") in Singapore. TFIH has an issued and fully paid-up share capital of SGD1.00 represented by one (1) issued and fully paid-up shares. Its principal activity is to own and operate the location-based virtual reality ("**VR**") centres ("**LBVR**") and mobile LBVR concept of HavenXR ("**HavenXR Centres**") and to exploit the VR content using the HavenXR Technology platform for the purposes of retailing immersive entertainment experiences at the HavenXR Centres, and to undertake the digital reality immersive entertainment experiences and leisure business of the Group. For further details, please refer to the Company's SGXNet announcement dated 28 July 2023.

Save for the above, the Group does not have any other acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies during the current financial period up to the date of this announcement.

## 9 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**").



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

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").

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

Use of Net Proceeds	Allocation of Net Proceeds (\$S'000)	Net Proceeds utilised up to 30 June 2023 (\$S'000)	Balance of Net Proceeds as at 30 June 2023 (\$S'000)
Funding of potential growth and expansion or diversification	2,514	(2,514) <sup>(1)</sup>	-
General working capital	1,078	(1,078) <sup>(2)</sup>	-
<b>Total</b>	<b>3,592</b>	<b>(3,592)</b>	-

**Notes:**

- (1) The breakdown of Net Proceeds for funding of potential growth and expansion or diversification were utilised as follows:

Summary of Expenses	(\$S'000)
Expansion projects	2,514
<b>Total</b>	<b>2,514</b>

- (2) The breakdown of Net Proceeds for general working capital were utilised as follows:

Summary of Expenses	(\$S'000)
Staff Cost	750
Marketing and Promotional Expenses	125
Repair and Maintenance	100
Utility Bills	103
<b>Total</b>	<b>1,078</b>

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.



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

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

The Board of Directors of the Company confirms that, to the best of its knowledge, nothing has come to its attention which may render the condensed interim consolidated financial statements for 1H2023 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Dato' Sim Choo Kheng**  
Executive Director and Executive Chairman

**Datin Silviya Georgieva Georgieva**  
Executive Director

**11 August 2023**