

Sim Leisure Group Ltd.

(Company Registration Number: 201808096D)

(Incorporated in the Republic of Singapore)

RESPONSES TO QUESTIONS FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE) ON THE 2025 ANNUAL REPORT

The Board of Directors (the “**Board**” or “**Directors**”) of Sim Leisure Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the below questions raised by the Securities Investors Association (Singapore) (“**SIAS**”) in respect of the Company’s Annual Report for the financial year ended 31 December 2025 (“**FY2025**”). The Company wishes to provide the following responses to the SIAS’ questions:

Q1. In the message to shareholders, the executive chairman highlighted the group’s ability to operate in periods of disruption. Following the sudden cancellation of ESCAPE KL in Bandar Malaysia, the group has pivoted to developing the ESCAPE Guangzhou theme park and a SIMall concept in the Huangpu district of Guangzhou.

Publicly available information indicates that the group has entered into an agreement relating to an integrated leisure and tourism project in Guangzhou with an estimated value of approximately RMB400 million, targeting one million visitors annually upon completion. On 6 February 2026, the group, through its wholly-owned subsidiary, The Future is Here Pte. Ltd., incorporated Guangzhou Sim Leisure Amusement Co., Ltd.

(i) **Can management clarify whether the strategic entry into China and the RMB400 million project have been clearly and formally communicated to shareholders via a SGXNet announcement?**

In February 2026, the Group entered into a Letter of Intent (“**LOI**”) to explore the opportunity to develop ESCAPE Huangpu on various adjacent parcels of land at the Danshuikeng Scenic Area, Huangpu District, through right-to-use and leasing arrangements with the landlords.

The LOI provides the framework to facilitate amongst other matters, the finalisation and detailed negotiation of boundary and land use parameters, structures available on site, local issues, commercial terms, and the conduct of due diligence by both parties for the proposed development. Importantly, the LOI does not stipulate any target project sum or investment commitment for the development. The agreement referred to in the recent article released by the Guangzhou Foreign Affairs Office titled “*Singapore’s Sim Leisure to build 400 mln yuan ‘ESCAPE’ theme park in Guangzhou*” (available at equangzhou.gov.cn) is, in fact, the LOI entered into between the Company and the landlords.

As reported in our full-year FY2025 results announcement on 24 February 2026, the Group’s exploratory efforts in the People’s Republic of China (“**PRC**”) have received encouraging support from the Huangpu District People’s Government and Guangzhou Municipal People’s Government (“**Government Offices**”) to launch the Group’s first overseas nature-inspired ESCAPE theme park, together with GoSmart edutainment and carnival parks under the SIMall concept, at the Danshuikeng Scenic Area, Huangpu District (“**ESCAPE Guangzhou**”). This project will mark the Group’s first integrated leisure destination.

As the LOI was non-definitive, save for the disclosure in full-year FY2025 results announcement, the Group has not made any further SGXNet announcement in relation to its expansion efforts in the PRC, as the parties — including the Government Offices —

remain in active discussions to address detailed commercial arrangements, due diligence matters, and local issues pertaining to the identified land and site framework. The RMB400 million figure referenced publicly represents the projected investment based project site and projected attendance currently contemplated by the parties, which includes near-term development as well as expansion of new attractions throughout the operational period of ESCAPE Guangzhou.

At present, the Group is at an advanced stage of addressing local issues and finalising detailed commercial arrangements, with the aim of executing definitive agreements by June 2026. A separate announcement will be made once a definitive agreement has been entered into by the parties..

- (ii) **For the benefit of shareholders, can management provide a clear development roadmap for ESCAPE Guangzhou, including key milestones, capital commitments, expected timelines to completion, as well as the key execution and regulatory risks? Does the group have a local partner, and if so, what is the structure of that partnership?**

The Group is unable to provide a detailed development roadmap at this stage, as definitive agreements are still being finalised and are targeted for execution by June 2026. Public disclosure of detailed parameters would involve sensitive commercial information and trade secrets, which may place the Group at a disadvantage in dealing with competitors in the PRC.

Shareholders may note, however, that the Group is working towards securing a potential right-to-use arrangement for the identified land, based on principal parameters of an ESCAPE park, with a tenure expected to be between 20 to 30 years, and anticipates a public launch within two years of site handover. To mitigate risks, the Group has engaged a long-standing business associate to facilitate its expansion, retained an established Guangzhou law firm for legal and regulatory matters, and is working closely with the Government Offices to secure approvals and landlords' cooperation.

Notwithstanding the above, shareholders are advised to exercise caution in trading their Shares, as there is no certainty that the definitive agreement on ESCAPE Guangzhou will be agreed or that any similar transaction will materialise. Shareholders should consult their stockbrokers, bank managers, solicitors, or other professional advisors if they have any doubt about the actions they should take.

Shareholders will be kept informed of material developments, through updates on SGXNet.

- (iii) **How does the group intend to fund the reported RMB400 million project, and what is the expected impact on the group's capital structure and overall risk profile?**

The Group intends to fund the project through a combination of internally generated funds, operating cash flows from ESCAPE Guangzhou once operational, and/or borrowings, depending on prevailing market conditions and financing opportunities.

The Group does not expect this funding approach to have any material impact on the Group's capital structure or overall risk profile. The Group will continue to adopt a disciplined capital management strategy, balancing growth investments with prudent leverage, to ensure that expansion into the PRC is sustainable and aligned with shareholder interests.

Q2. For the financial year ended 31 December 2025, the group reported revenue of RM138.1 million, a decline from RM167.8 million in FY2024. This was mainly due to lower revenue contribution from the themed attractions construction segment, which decreased from RM89.4 million to RM55.5 million following the completion of the Six Flags Qiddiya project in Saudi Arabia, partially

offset by the commencement of theming works at the Al Nahda Entertainment Complex in Riyadh.

Disaggregation of revenue		
Disaggregation of the Group's revenue for the financial year is as follows:		
	Group	
	2025	2024
	RM'000	RM'000
<u>Type of goods or services</u>		
Admission fees to theme parks	68,117	63,487
Sale of food, beverages and merchandise	7,673	6,483
Service income	1,343	2,532
Sponsorship income	5,471	5,949
Revenue from themed attractions construction	55,502	89,388
	<u>138,106</u>	<u>167,839</u>

(Source: company annual report)

The theme park segment recorded revenue growth from RM78.45 million to RM82.60 million in FY2025. Specifically, admission fees showed a RM4.63 million increase. This was driven by the full twelve-month revenue contribution from ESCAPE Challenge Parks located in Johor Bahru and Putrajaya.

- (i) **Can management disclose key operating metrics for the theme park segment and the ESCAPE Challenge sub-segment, including visitorship, average ticket pricing, utilisation rates and per capita spending, to enable shareholders to better assess underlying performance?**

Specific operating metrics such as visitorship, detailed ticket pricing, utilisation rates, and per-capita spending are regarded as sensitive commercial information. Public disclosure of such granular data could compromise the Group's competitiveness in the theme park industry, and therefore the Group is not in a position to provide these details.

Shareholders may note, however, that in FY2025 the Group's ESCAPE parks attracted more than 270,000 visitors, generating average per-capita spending of over RM150. The ESCAPE Challenge sub-segment contributed above 20% of total visitorship, with per-capita spending of over RM70. Utilisation rates are typically at the higher end during peak seasons, reflecting strong demand and efficient capacity management.

- (ii) **Specifically, how has KidZania Singapore performed relative to management's original expectations and investment thesis? Given that segment revenue from Singapore declined from RM18.0 million to RM17.6 million, what are the key drivers of performance, and what actions are being taken to improve returns? *On Google Map, KidZania Singapore has a rating of 4.3 stars.***

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

	Revenue		Non-current assets ¹	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysia	68,650	69,898	106,338	143,549
Singapore	17,608	18,017	77,635	35,133
United Arab Emirates	8,682	7,270	148	287
Saudi Arabia	43,166	72,654	7,843	5,539
	<u>138,106</u>	<u>167,839</u>	<u>191,964</u>	<u>184,508</u>

The performance of KidZania Singapore has been broadly in line with management's expectations, taking into account the adverse implications arising from the abrupt closure of the park by the previous management under Khazanah Nasional. That closure disrupted the entire supply chain and customer base, affecting online travel agencies, the landlord Sentosa Development Corporation, and business partners, while also creating reputational headwinds that continue to weigh on the brand. The Group takes cognisance of these legacy challenges, which have impacted visitors, children, and business partners alike.

KidZania Singapore has sustained the performance momentum of its reopening year in 2024, recording approximately a 2% increase in revenue in local currency terms (SGD). The lower revenue reflected in RM reporting was due to the depreciation of the SGD against the RM at the end of the respective financial year, rather than underlying performance.

Looking ahead, the Group is actively partnering with established hotel chains in Singapore and with Sentosa Development Corporation in conjunction with their initiatives to attract local tourism. Targeted efforts include special ticket packages or prices for school groups to support educational trips, regular special promotions with business partners, and community-focused programmes. These actions are designed to strengthen returns and enhance KidZania Singapore's positioning in the market

- (iii) **Following the closure of ESCAPE Challenge Petaling Jaya, the group continues to operate outlets in Putrajaya and Johor Bahru. Is management satisfied with the performance of the ESCAPE Challenge outlets? What lessons have been drawn from operating the indoor format, and how has the operating model been refined to improve performance and scalability?**

The initial performance of ESCAPE Challenge Putrajaya and Johor Bahru has been in line with management's expectations for newly launched parks. The elevated cost base during the ramp-up phase is both planned and necessary to establish operational stability and brand presence.

From our first venture with ESCAPE Challenge Petaling Jaya in 2020, the Group gained valuable insights into the opportunity for malls to transform into vibrant, fun-driven destinations beyond traditional shopping and dining. This experience inspired the conceptualisation of the SIMall entertainment concept, which integrates multiple attraction brands such as GoSmart, HavenXR Cinema, SimCoaster Ride, Naked Eye, Carnival, Mini Miner, and Digger Builder.

At the same time, many shopping centres in the Klang Valley remain reluctant to allocate the substantial space required for a full-scale SIMall concept, preferring entertainment only

as a peripheral component. Their practice of short-term leases has also prompted the Group to refine its operating model: moving to a structure where mall owners act as business partners, either co-investing or fully funding the required capital expenditure, with revenue-sharing arrangements and the potential for licensing the SIMall concept. This ensures stronger alignment of interests, longer-term commitments, and improved scalability.

- (iv) Can the company help shareholders to reconcile the underlying operating performance with reported profitability? Excluding the compensation of RM44.4 million received during the year, would the group have remained profitable as the reported profit is just RM43.3 million?

Consolidated Statement of Comprehensive Income			
For the Financial Year Ended 31 December 2025			
	Note	2025 RM'000	2024 RM'000
Revenue	22(a)	138,106	167,839
Cost of sales		(90,280)	(84,763)
Gross profit		47,826	83,076
Other item of income			
Other income		46,665	850
Other items of expense			
Administrative and other expenses		(28,706)	(30,791)
Reversal/(impairment) loss on trade and other receivables	9	264	(2)
Finance costs	23	(5,400)	(4,365)
Profit before income tax	24	60,649	48,768
Income tax expense	25	(17,315)	(12,618)
Profit for the year		43,334	36,150

(a) Other income	2025 RM'000	2024 RM'000
Write off of payables	949	2
Gain on disposal of property, plant and equipment	-	15
Finance income from bank deposits	678	310
Miscellaneous income received	596	518
Compensation income from settlement of commercial agreements and termination of project (Note 33)	44,442	-

(Adapted from company annual report)

The compensation of RM44.44 million received during the year was recognised as pre-tax income in the "Other Income" section and was included in the segment results of RM38.23 million under the "Others" segment, as disclosed in Note 31 Segment Information of the audited financial statements. The after tax sum of the compensation is approximately RM34.30 million.

As presented in the Segment Information, the Group's core Theme Park and Themed Attractions Construction segments continued to generate positive contributions. Excluding the compensation income, the Group reported a profit for the year of approximately RM9.03 million, demonstrating that underlying operations remained profitable independent of the one-off compensation.

- Q3.** As at 16 March 2026, the company has a free float of 11.86%. The shareholder base comprises only 64 shareholders, with the top eight shareholders collectively holding 97.5% of the issued shares.

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 99	0	0.00	0	0.00
100 – 1,000	16	25.00	8,300	0.00
1,001 – 10,000	17	26.56	95,800	0.06
10,001 – 1,000,000	23	35.94	3,996,395	2.42
1,000,001 and above	8	12.50	161,264,705	97.52
Total	64	100.00	165,365,200	100.00

Substantial Shareholders

(as shown in the Company's Register of Substantial Shareholders)

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Dato' Sim Choo Kheng	91,434,730	55.29	-	-
Desamal Capital Sdn Bhd	43,016,700	26.01	-	-
Tan Boon Seng ⁽¹⁾	2,000,000	1.21	43,016,700	26.01

(Source: company annual report)

- (i) **Has the board assessed the adequacy of the company's share trading liquidity? What is the board's target free float and liquidity profile for the company, and what specific initiatives are being pursued to move towards this target over time?**

The Board is mindful of the Company's share trading liquidity and public spread, which is a common feature among many Catalist-listed companies.

At present, although the Board is cognisant of the current constraints on the Company's trading liquidity and the benefits arising from a wider shareholder base and a higher public float, no present targets for free float or liquidity profile has been set. Notwithstanding, these matters have been raised with principal shareholders, with the intention of potentially increasing the public spread through avenues such as private placements to identified investors, or issuance of new shares in connection with potential asset acquisitions. Any initiatives will be carefully considered in consultation with the sponsor and principal shareholders, and pursued only where it is considered to be in the best interests of the Company and shareholders as a whole. Such activities will be announced on SGXNet.

- (ii) **Is the board concerned about the highly concentrated shareholder base, and has it evaluated the implications for market liquidity and price discovery?**

The Board is aware of the highly concentrated shareholder base and its implications for market liquidity and price discovery. These considerations are linked to the broader issue of public spread and trading liquidity. As noted above, the Board has engaged with principal shareholders and the Company's sponsor to explore potential initiatives that could improve liquidity over time, including private placements or new share issuances tied to asset acquisitions.

While no definitive plans have been adopted, the Board will continue to monitor the situation closely and consult with the sponsor to ensure that any actions taken are aligned with shareholder interests and regulatory expectations.

BY ORDER OF THE BOARD
SIM LEISURE GROUP LTD.

Dato' Sim Choo Kheng
Executive Chairman
24 April 2026

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. ("**Sponsor**"), for compliance with 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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