Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Sim Leisure Group Ltd.

Stock code: URR

Meeting details:
Date: 11 May 2020
Time: 11.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. In the CEO's message (pages 2 to 4 in the annual report), it was highlighted that the three ESCAPE theme parks that the group operates in Penang are "unique" in their resilience to the present slowdown because as much as 80% of the visitors are domestic tourists. This was also based on the "strong recovery" experienced after the 2009 financial crisis.

(i) **Given that the group's first theme park, ESCAPE Adventureplay, commenced operations in 2012, can management help shareholders understand the basis of the comment that there was a "strong recovery" experienced after the 2009 financial crisis?**

Since 18 March 2020, the Malaysian government has imposed a nationwide Movement Control Order ("MCO") to curb the spread of COVID-19. The MCO has been extended twice, until 12 May 2020.

(ii) **Would the company be making timely updates to help shareholders understand the impact of the MCO on the group's operations and financial position?**

(iii) **How is the company going to address the negative impact due to the pandemic (and the crowd control measures thereafter) on the group's theme park business model that is based on high visitorship?**

Q2. The group crystallised its global aspirations with the signing of an agreement to build a theme park outside Colombo, Sri Lanka and the granting of its IP rights to a Chinese waterpark equipment manufacturer, supplier and contractor. In addition, it has formed a joint venture with a partner who is a specialist in the construction, maintenance, safety and operation of adventure parks, with over 40 projects completed in America, Europe and Asia.

In Malaysia, the group is setting up an indoor theme park in Petaling Jaya, Malaysia.

(i) **How does the board ensure that the management team has the experience and the capacity to expand the group on so many fronts and in different regions, with different partners when management's attention is needed to oversee and run the core operations in Malaysia which has been affected by the pandemic?**

Q3. In FY2019, the group purchased plant and equipment amounting to RM13.55 million (page 53 – Consolidated statement of cash flows). This was mostly attributed to the capitalisation of assets of ESCAPE Gravityplay amounting to RM12.32 million.

(i) **Is the development of ESCAPE Gravityplay completed?**

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As at 31 December 2019, cash and cash equivalents amounted to RM3.0 million. The company has entered into a subscription agreement with Tropika Kiara Sdn. Bhd. for a further 13,422,500 shares amounting to a subscription price of S$2.95 million. As disclosed in Note 26 (page 90 – Capital commitments), the group has no outstanding capital commitment as at 31 December 2019.

(ii) **Would management help shareholders understand the typical investment budget for a project like the Sri Lanka theme park, and the new indoor theme park?**

(iii) **In the evaluation stage, what is the typical payback period?**

^Amid the global COVID-19 outbreak, issuers who choose to proceed with the AGM before 30 April 2020 must provide opportunities for shareholders to ask questions. Shareholders are encouraged to read the annual report and submit any questions they might have to the companies in advance. Issuers would then publicly address the questions at the general meeting via the issuer's website, through "live" webcast and on SGXNet.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Joint Statement by Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation dated 31 Mar 2020 (https://www.sgx.com/media-centre/20200331-acra-mas-and-sgx-regco-update-guidance-general-meetings)