

SIM LEISURE GROUP LTD.
(Company Registration Number: 201808096D)
(Incorporated in the Republic of Singapore)

ENTRY INTO A FILM LICENCE AGREEMENT TO PRODUCE A CINEMATIC IMMERSIVE ROLLER COASTER FILM FOR THE PURPOSE OF RETAILING OF AN IMMERSIVE ENTERTAINMENT EXPERIENCE OF A MECHANICAL ROLLER COASTER RIDE TO THE PUBLIC BY A WHOLLY OWNED SUBSIDIARY, THE FUTURE IS HERE PTE. LTD.

For this announcement, where applicable and unless otherwise stated/specified, all definitions and terms used in this announcement shall have the same meaning as defined in the previous announcement dated 28 July 2023.

1.0 INTRODUCTION

- 1.1 The Board of Sim Leisure Group Ltd. refers to the Company's announcement dated 28 July 2023 (the "**Announcement**") in relation to the entry into the Agreement by TFIH with HavenXR for the commercial roll-out of HavenXR Centres (collectively known as "**HavenXR Centres**") for the purpose of retailing immersive entertainment experiences to the public through the exploitation of the cinematic content and all Ancillary Materials using the HavenXR Technology, all of which are developed and maintained by HavenXR throughout the Territory.
- 1.2 Further to the Announcement, the Board wishes to announce that TFIH has on 6 May 2024 entered into a further Film Licence Agreement for Sim Coaster film and content ("**SimCoaster Agreement**") with HavenXR to develop and produce a short fully immersive film that will give the participants the full experience, sensation and feeling of riding in a mechanical roller coaster based on different styles of coasters (steel, wooden etc) through diverse environments and scenery ("**SC Film**"), for the purpose of retailing the Immersive Experience of a mechanical roller coaster ride to the public at the dedicated centres ("**SimCoaster Centres**"), that are to be jointly designed by the HavenXR and TFIH ("**Parties**"), exclusively throughout the Territory ("**SimCoaster Immersive Experience**").

The final film design, environments, scenery, sequencing, and special effects are to be agreed between the Parties and approved by TFIH within 30 days of signing the SimCoaster Agreement ("**SC Film Approval**").

The SC Film is anticipated to be completely developed, produced and ready for commercial launching of the SimCoaster Immersive Experience within 6 months from the SC Film Approval. The Group will progressively roll out the SimCoaster Centres which will be owned and/or operated by the Group throughout the Territory at its sole discretion, based on the market demand of the SimCoaster Immersive Experience.

2.0 COMMERCIAL ARRANGEMENT AND ROLL-OUT OF SIMCOASTER CENTRES

2.1 Commercial arrangement for the SimCoaster Agreement

TFIH will pay HavenXR a film production fee of Australian Dollars Two Hundred and Ten Thousand (AUD 210,000) (approximately S\$186,816 converted at an exchange rate of S\$88.96:AUD100 on 3 May 2024 as published by Monetary Authority of Singapore) for the development, production and ownership of the SC Film ("**SC Production Fee**") and

royalties (“**Coaster Royalties**”) being the HavenXR Technology fee principally calculated at six percent (6%) of all payments and other revenue received by or on behalf of TFIH arising from the exploitation of the SC Film within the SimCoaster Centres, and the operation of the SimCoaster Centres inside and outside the Territory. The SC Production Fee is payable over three (3) fixed instalment amounts based on a pre-determined set of milestone and completion of the SC Film for the SimCoaster Immersive Experience.

There shall be no Content Fee payable to HavenXR for the use and exploitation of SC Film for the SimCoaster Immersive Experience as TFIH has the absolute right to freely utilise and commercially exploit the SC Film. The Parties have agreed that all intellectual property rights including the VR Content and Ancillary Materials created for the SimCoaster Immersive Experience shall be jointly owned by HavenXR and TFIH.

HavenXR agrees that the HavenXR Technology used for the SimCoaster Immersive Experience shall not be used for any other roller coaster experience without the written consent of TFIH.

2.2 Roll-out of the SimCoaster Centres

The Group expects to work on sourcing and identifying suitable location(s) and/or mall operator(s) or owner(s) to provide the capital expenditure (“**Capex**”) funding during the second quarter of 2024 for its first SimCoaster Centre in Malaysia. The Capex for a SimCoaster Centre is projected at approximately RM2.0 million and in the event the first SimCoaster Centre is to be owned and financed by the Group, the required capex will be funded by the Group’s internal resources.

Barring any unforeseen circumstances, the Group anticipates offering the SimCoaster Immersive Experience to the public in the second half of 2024.

3.0 **RATIONALE FOR THE SIMCOASTER IMMERSIVE EXPERIENCE**

The SimCoaster Immersive Experience coincides with the growth plan of the Group to expand its indoor theme park and attractions by introducing high-quality technologically advanced cinematic immersive entertainment experiences using the HavenXR’s virtual reality/augmented reality technology platform.

Further, it is an additional opportunity for the Group to further exploit the capability and advancement of the HavenXR Technology developed and maintained by our immersive technology partner, HavenXR to commercially roll-out more products which offer a whole new cinematic immersive entertainment experience for the Territory and to potentially share the revenue earned by HavenXR from the exploitation of the SimCoaster Immersive Experience by HavenXR or any third party outside of the Territory, in the form of royalties.

The Board is of the view that the SimCoaster Immersive Experience is directly complementary to the existing business of the Group and is in the best interest of the Group. Further, it will enhance shareholders’ value in the long term.

4.0 **SOURCE OF FUNDS AND FINANCIAL EFFECTS**

The SimCoaster Agreement is not expected to have any material effect on the consolidated net tangible assets per share and earnings per share of the Company and the Group for the current financial year ending 31 December 2024. Nonetheless, the

Group expects its SimCoaster Centres' operation to contribute positively to the performance of the Group.

5.0 INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company and their respective associates, has any interest, direct or indirect, in the SimCoaster Agreement, save for their interests arising by way of their shareholdings and/or directorships, as the case may be, in the Company or is related to HavenXR.

6.0 SERVICE CONTRACTS

No person is proposed to be appointed to the Board in connection with the SimCoaster Agreement and no service contract in relation thereto is proposed to be entered into by the Company.

7.0 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the SimCoaster Agreement, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

8.0 DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SimCoaster Agreement will be available for inspection during normal business hours at the registered office of the Company at 138 Robinson Road #26-03, Oxley Tower Singapore 068906, for a period of (3) months from the date of this announcement.

By order of the Board,

Dato' Sim Choo Kheng
Executive Chairman
6 May 2024

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 document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.
