

# Sim Leisure Group Ltd.

(Company Registration Number: 201808096D)

(Incorporated in the Republic of Singapore)

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## ENTRY INTO A LOAN AGREEMENT AS AN INTERESTED PERSON TRANSACTION – UPDATE ANNOUNCEMENT ON THE EXECUTION OF A SUPPLEMENTAL LOAN AGREEMENT

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### 1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Sim Leisure Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 24 November 2020, 30 November 2020 and 17 February 2021 (the “**Announcements**”) in relation to a loan agreement (the “**Loan Agreement**”) between the Company’s wholly-owned subsidiary, Sim Leisure Escape Sdn. Bhd. (“**SLE**”), and Mr Tan Boon Seng (Non-Independent Non-Executive Director of the Company) (the “**Lender**”) as an interested person transaction under Chapter 9 of the Catalist Rules.

Pursuant to the Loan Agreement, the Lender has agreed to grant to SLE a loan (“**Loan**”) in the principal amount of up to RM7.0 million in aggregate (“**Aggregate Loan Amount**”), subject to the terms and conditions set out in the Loan Agreement. The Aggregate Loan Amount consists of the term funding of RM5.3 million (“**Term Funding**”) and the funding portion of RM1.7 million (“**Funding Portion**”). Please refer to the Announcements for more information on the Loan and the Loan Agreement.

*Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as ascribed to them in the Announcements.*

### 2. SUPPLEMENTAL LOAN AGREEMENT

The Board wishes to update Shareholders that SLE and the Lender had, on 30 December 2021, entered into a supplemental agreement to the Loan Agreement (“**Supplemental Loan Agreement**”), pursuant to which:

- (i) SLE and the Lender have agreed that each of the definition for (a) the Tenure in respect of the Term Funding; and (b) the Funding Period in respect of the Funding Portion, shall mean the period commencing on 20 November 2020, being the date of the Loan Agreement, up to and inclusive of 31 December 2027 respectively; and
- (ii) the Repayment Schedule in respect of the yearly minimum repayment of the Aggregate Loan Amount shall be amended as follows:

<b>Calendar year</b>	<b>Minimum Aggregate Loan Amount to be repaid (RM)</b>
2021	750,000 <sup>#</sup>
2022	765,000
2023	897,500
2024	1,042,500
2025	1,070,000
2026	1,117,500
2027	657,500
<b>Total</b>	<b>6,300,000</b>

*<sup>#</sup>The amount of RM750,000 has been repaid by SLE to the Lender, by way of an offset of an equivalent amount payable by the Lender to SLE (representing the consideration payable by the Lender to SLE in respect of the Lender's purchase of 20% of Rakan Riang Sdn Bhd from SLE). For more information on SLE's disposal of 20% of Rakan Riang Sdn Bhd, please refer to the Company's half year results announcement dated 13 August 2021.*

The other terms and conditions of the Loan Agreement remain unchanged other than those specifically varied in the Supplemental Loan Agreement.

### **3. RATIONALE FOR THE SUPPLEMENTAL LOAN AGREEMENT**

SLE and the Lender have agreed, via the execution of the Supplemental Loan Agreement, to among others, extend the repayment period of the Loan from five (5) years to seven (7) years. As a result, the yearly minimum repayment in accordance with the Repayment Schedule (as amended by the Supplemental Loan Agreement and stated above) is lower and this can enhance the Group's cash flow position in the near term. Therefore, having reviewed the terms of the Supplemental Loan Agreement, the Board is of the view that the Supplemental Loan Agreement is in the interests of the Company and the Group, and minority shareholders of the Company.

Please refer to the Announcements for more information on the rationale for the Loan.

### **4. INTERESTS PAYABLE ON THE LOAN BASED ON THE SUPPLEMENTAL LOAN AGREEMENT**

Based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2020, the Group's latest audited net tangible assets ("**NTA**") was approximately RM63.3 million as at 31 December 2020 ("**FY2020 Group NTA**").

Based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2019, the Group's audited NTA was approximately RM51.6 million as at 31 December 2019 ("**FY2019 Group NTA**").

As at the date of this announcement, the Outstanding Principal Amount under the Loan Agreement is RM6.3 million (“**Balance Sum**”). Assuming that the Balance Sum of RM6.3 million at the Interest Rate of 8.00% per annum is repaid in accordance with the amended Repayment Schedule as set out in paragraph 2(ii) of this announcement (there being no intention to further draw down on the remaining RM0.7 million of the Funding Portion), the transaction value of the Loan (being the aggregate interest payable on the Loan) is approximately RM1.9 million or approximately 3.0% of FY2020 Group NTA (or approximately 3.7% of FY2019 Group NTA).

For the current financial year commencing 1 January 2021 up to the date of this announcement, the aggregate value of all interested person transactions entered into by the Group with the Lender and his associates (including the Supplemental Loan Agreement which is the subject of this announcement, and excluding the transactions which are less than S\$100,000 or which have been approved by Shareholders) is approximately RM3.0 million, representing approximately 4.7% of the FY2020 Group NTA.

Accordingly, as the aforesaid percentage figure of 4.7% of the FY2020 Group NTA does not exceed the relevant threshold of 5.0%, no approval of independent Shareholders is required to be sought for the Loan under the Loan Agreement and the Supplemental Loan Agreement pursuant to Rule 906(1)(b) of the Catalist Rules.

## **5. AUDIT COMMITTEE STATEMENT**

The Audit Committee of the Company, having considered the terms, rationale for and benefits of the Supplemental Loan Agreement, is of the view that the Supplemental Loan Agreement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

## **6. 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 Supplemental Loan Agreement, the Company and its subsidiaries, 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.

## **7. DOCUMENTS FOR INSPECTION**

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, a copy of the Loan Agreement and the Supplemental Loan Agreement is 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 three (3) months from the date of this announcement.

BY ORDER OF THE BOARD  
**SIM LEISURE GROUP LTD.**

Sim Choo Kheng  
Executive Director and Chief Executive Officer  
30 December 2021

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*This announcement has been prepared by 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 Catalist.*

*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.*

*The contact person for the Sponsor is Ms Goh Mei Xian, Associate Director, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.*