

CIRCULAR DATED 17 February 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular (as defined herein) is issued by Sim Leisure Group Ltd. (the “Company”). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser(s) immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled “DEFINITIONS”.

This Circular, together with the Notice of EGM and the accompanying Proxy Form have been made available on SGXNet and the Company’s website at <https://simleisuregroup.com/announcements>. **A printed copy of this Circular, together with the Notice of EGM and the accompanying Proxy Form will NOT be despatched to Shareholders.**

If you have sold or transferred all your Shares, you should immediately inform the purchaser or transferee, or the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Circular, together with the Notice of EGM and the accompanying Proxy Form, may be accessed via SGXNet and the Company’s website at <https://simleisuregroup.com/announcements>.

This Circular has been prepared by the Company and its contents have been reviewed by the Sponsor in accordance with Rule 226(2)(b) of the Catalist Rules.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes not responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #9-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.



SIM LEISURE GROUP LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No. 201808096D)

CIRCULAR TO SHAREHOLDERS

in relation to

**THE ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL
OF RAKAN RIANG SDN BHD**

IMPORTANT DATES AND TIMES

Last date and time to register online to attend the Extraordinary General Meeting	:	1 March 2021 at 11 a.m.
Last date and time for lodgement of Proxy Form	:	1 March 2021 at 11 a.m.
Date and time of Extraordinary General Meeting	:	4 March 2021 at 11 a.m.
Place of Extraordinary General Meeting	:	The EGM will be held by way of electronic means. Please refer to the Company’s announcement dated 17 February 2021 for further information.

CONTENTS

Page

DEFINITIONS	3
LETTER TO SHAREHOLDERS.....	6
1. INTRODUCTION	6
2. THE ACQUISITION	7
3. CHAPTER 10 OF THE CATALIST RULES.....	11
4. FINANCIAL EFFECTS OF THE ACQUISITION	15
5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS.....	17
6. DIRECTORS' RECOMMENDATION	17
7. IRREVOCABLE UNDERTAKINGS	17
8. SERVICE CONTRACTS.....	18
9. EXTRAORDINARY GENERAL MEETING	18
10. ACTION TO BE TAKEN BY SHAREHOLDERS.....	18
11. DIRECTORS' RESPONSIBILITY STATEMENT.....	18
12. DOCUMENTS AVAILABLE FOR INSPECTION	18
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	N-1
PROXY FORM	

DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“Acquisition”	:	The acquisition by the Purchaser of all the Sale Shares from the Vendors pursuant to the SSA
“Associate”	:	(a) In relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“BCSB”	:	Boustead Curve Sdn. Bhd.
“Board”	:	The board of directors of the Company for the time being
“Catalist Rules”	:	Listing Manual Section B: Rules of Catalist of the SGX-ST, as may be amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer
“Circular”	:	This circular to Shareholders dated 17 February 2021
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
“Company”	:	Sim Leisure Group Ltd.
“Completion”	:	Completion of the Acquisition in accordance with the terms and conditions of the SSA
“Completion Date”	:	The date of Completion, being 7 December 2020
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of all voting shares in the Company (subject to the SGX-ST determining that such a person is not a Controlling Shareholder); or

		(b) in fact exercises control over the Company
“Directors”	:	The directors of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company to be held by way of electronic means on Thursday, 4 March 2021 at 11 a.m., notice of which is set out on pages N-1 to N-3 of this Circular
“EPS”	:	Earnings per Share
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company and its subsidiaries as at the date of this Circular
“HY2020”	:	The six (6)-month period from 1 January 2020 to 30 June 2020
“Inter-Company Liabilities”	:	Has the meaning ascribed to it in Section 2.3.6(d) of this Circular
“Irrevocable Undertakings”	:	Has the meaning ascribed to it in Section 3.2.1(c) of this Circular
“KZKL”	:	KidZania Kuala Lumpur
“Latest Practicable Date”	:	The latest practicable date prior to the date of issue of this Circular, being 10 February 2021
“Notice of EGM”	:	The notice of EGM as set out on pages N-1 to N-3 of this Circular
“NTA”	:	Net tangible assets
“Ordinary Resolution”	:	The ordinary resolution as set out in the Notice of EGM on pages N-1 to N-3 of this Circular
“Proxy Form”	:	The proxy form in respect of the EGM as set out in this Circular
“Purchase Consideration”	:	The purchase consideration of RM3.8 million for the sale and purchase of the Sale Shares pursuant to the SSA
“Purchaser” or “SLE”	:	Sim Leisure Escape Sdn. Bhd., a wholly-owned subsidiary of the Company
“RM”	:	Malaysian ringgit, being the lawful currency for the time being of Malaysia
“RRSB”	:	Rakan Riag Sdn Bhd
“Sale Shares”	:	All the issued and paid-up ordinary shares in the capital of RRSB
“SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such

		Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Ordinary shares in the capital of the Company
“Sponsor”	:	ZICO Capital Pte. Ltd.
“SSA”	:	Sale of Shares Agreement dated 4 November 2020 entered into between the Vendors and SLE encapsulating the terms and conditions of the Acquisition
“Substantial Shareholder”	:	A Shareholder who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company
“TAR”	:	Themed Attractions and Resorts Sdn. Bhd.
“Vendors”	:	TAR and BCSB
“Waiver”	:	Has the meaning ascribed to it in Section 3.2.2 of this Circular
“Waiver Application”	:	Has the meaning ascribed to it in Section 3.2 of this Circular
“Waiver Conditions”	:	Has the meaning ascribed to it in Section 3.2.2 of this Circular
“S\$”, “\$”, “SGD” and “cents”	:	Singapore dollars and cents, respectively, being the lawful currency for the time being of the Republic of Singapore
“%” or “per cent”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA. The term **“subsidiary”** and **“treasury shares”** shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the SFA, Companies Act, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the SFA, Companies Act, the Catalist Rules or any such statutory modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day or date in this Circular is made by reference to Singapore time or date unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

For the purposes of this Circular, Chancery Law Corporation has been appointed as the legal counsel to the Company in relation to the drafting of this Circular.

LETTER TO SHAREHOLDERS

SIM LEISURE GROUP LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201808096D)

Directors:

Tay Eng Kiat Jackson	<i>Chairman and Independent Director</i>
Sim Choo Kheng	<i>Executive Director and CEO</i>
Silviya Georgieva Georgieva	<i>Executive Director</i>
Tan Boon Seng	<i>Non-Independent Non-Executive Director</i>
Yong Oi Ling	<i>Independent Director</i>
Chung Yew Pong	<i>Independent Director</i>

Registered Office:

138 Robinson Road
#26-03, Oxley Tower
Singapore 068906

Date: 17 February 2021

To: The Shareholders of Sim Leisure Group Ltd.

Dear Sir/Madam

THE ACQUISITION OF THE ENTIRE PAID-UP AND ISSUED SHARE CAPITAL OF RAKAN RIANG SDN BHD

1. INTRODUCTION

1.1. Background

On 4 November 2020, the Company announced that its wholly-owned subsidiary, SLE (being the Purchaser), had on the same day executed the SSA pursuant to which the Purchaser will acquire and the Vendors will sell all the issued and paid-up ordinary shares in the capital of RRSB from the Vendors for the Purchase Consideration of RM3.8 million.

On 19 November 2020, the Company announced that (i) the Company had, on 10 November 2020, through its Sponsor, made a Waiver Application, to the SGX-ST seeking, *amongst others*, a waiver from strict compliance of Rule 1014(2) of the Catalist Rules which requires the prior approval of Shareholders in relation to the Acquisition, and (ii) the SGX-ST had, on 19 November 2020, informed the Company that the SGX-ST had no objection to the Waiver Application subject to the Waiver Conditions (details as set out in Section 3.2.2 of this Circular).

On 8 December 2020, the Company announced that it had completed the Acquisition on 7 December 2020, and will seek Shareholders' approval for the Acquisition by way of ratification at an EGM to be convened within three (3) months from the Completion of the Acquisition (i.e. by 6 March 2021), in accordance with the Waiver Conditions. Please refer to Section 3.2 of this Circular for details on the Waiver and Waiver Application.

1.2. EGM

Accordingly, the Directors are convening an EGM to be held on Thursday, 4 March 2021 at 11 a.m. by way of electronic means to seek Shareholders' ratification for the Acquisition.

1.3. Circular

The purpose of this Circular is to provide Shareholders with relevant information, the rationale for, and to seek Shareholders' ratification for the Acquisition at the forthcoming EGM. The Notice of EGM is

LETTER TO SHAREHOLDERS

set out on pages N-1 to N-3 of this Circular.

The SGX-ST assumes no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular.

2. THE ACQUISITION

2.1. Information on RRSB

- (a) RRSB, incorporated in Malaysia on 21 April 2009, has an issued and paid-up share capital of RM30,600,000 comprising 30,600,000 ordinary shares. Immediately prior to Completion, the shareholders of RRSB were (i) TAR, which held 24,480,000 ordinary shares representing 80% of the entire issued and paid-up share capital of RRSB, and (ii) BCSB, which held 6,120,000 ordinary shares representing 20% of the entire issued and paid-up share capital of RRSB.
- (b) RRSB, an authorised licensee of “KidZania”, currently operates an interactive indoor educational and entertainment centre under the name “KidZania Kuala Lumpur” (“KZKL”), where children role-play a variety of professions and activities in a model of a city designed and programmed to mimic adult life and the inner workings of a real city. Such role-playing activities are aimed at offering diverse learning experiences to children to build up their confidence, develop life and social skills, and gain greater awareness about social values. KZKL has more than 20 recognised international and local commercial partners who present some of the activities. KZKL is located at the Curve NX building in Mutiara Damansara, Petaling Jaya, Selangor, Malaysia.
- (c) Based on its audited financial statements for FY2019, RRSB recorded (i) a net loss before tax of approximately RM1.4 million for FY2019, and (ii) NTA of approximately RM13.1 million as at 31 December 2019. Based on the unaudited financial results for HY2020, RRSB recorded (i) a net loss before tax of approximately RM4.0 million for HY2020, and (ii) NTA of approximately RM9.2 million as at 30 June 2020.
- (d) Following Completion and as at the Latest Practicable Date, RRSB is a wholly-owned subsidiary of SLE, which is in turn 100% owned by the Company.

2.2. Information on the Vendors¹

- (a) TAR was incorporated in Malaysia in June 2009 and its principal activity is that of investment holding. TAR is a subsidiary of Themed Attractions Resorts & Hotels Sdn. Bhd. (“TAR&H”).
- (b) BCSB was incorporated in Malaysia in June 1983 and its principal activity is to carry out the business of property rental and investment. BCSB is a subsidiary of Boustead Holdings Berhad.
- (c) The Vendors and their respective directors and shareholders are not related to the Company, the Group, the Directors or Substantial Shareholders of the Company and their respective Associates.

¹ The information set out in Sections 2.2(a) and 2.2(b) of this Circular regarding TAR and BCSB was provided by the Vendors or based on publicly available information, and the Directors have not independently verified the accuracy and correctness of the same. 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 Circular in its proper form and context.

LETTER TO SHAREHOLDERS

2.3. Principal Terms of the Acquisition

2.3.1. Purchase Consideration and Refundable Deposit

Pursuant to the SSA, the salient terms in respect of the Purchase Consideration of RM3.8 million are as follows:

- (a) The Purchaser shall pay a sum of RM500,000 as deposit (the “**Refundable Deposit**”), which shall form part payment of the Purchase Consideration, to the Vendors immediately upon the execution of the SSA. In the event of a termination of the SSA, the Refundable Deposit may be refunded to the Purchaser or retained by the Vendors, as the case may be, in accordance with Sections 2.3.5(a), 2.3.5(b) and 2.3.5(c) of this Circular.
- (b) The Purchaser shall pay a sum of RM2.5 million to the Vendors within five (5) business days of the fulfilment of the Conditions Precedent (as defined in Section 2.3.4 of this Circular) (the “**Completion Consideration**”), as provided for under the SSA.
- (c) Prior to Completion, the Vendors and the Purchaser shall conduct a joint inspection of RRSB, and where any item from an agreed list of assets material to the operation of RRSB or its business cannot be located or is not in working condition, the Purchase Consideration shall be reduced by the net book value (based on the latest management accounts of RRSB) or 20% of the initial acquisition cost of such item recorded by RRSB, whichever is higher (the “**Deduction**”).
- (d) The balance Purchase Consideration (after deduction of (i) the Refundable Deposit, (ii) the Completion Consideration, (iii) the Deduction (if any) and (iv) any amounts liable to be paid by any of the Vendors to the Purchaser under the SSA) shall be paid in cash to the Vendors within 12 months from the date of the SSA (i.e. by 3 November 2021).

The Refundable Deposit and the Completion Consideration were paid in cash by the Purchaser to the Vendors in accordance with the terms of the SSA as set out in Sections 2.3.1(b) and 2.3.1(c) above.

2.3.2. Basis of the Purchase Consideration and Source of Funds

- (a) The Purchase Consideration was determined based on arm’s length negotiations and arrived at on a willing-buyer willing-seller basis, after taking into account the financial performance of RRSB for FY2019 and HY2020, the writing off of the Inter-Company Liabilities as at Completion Date, as well as the potential benefits to the Group arising from the Acquisition.
- (b) The Acquisition was financed by the Purchaser by way of a combination of internal cash resources and borrowings.

As announced by the Company on 24 November 2020 followed by an update announcement on 30 November 2020, Mr Tan Boon Seng (Non-Independent Non-Executive Director of the Company) had, *amongst others*, entered into a loan agreement with the Purchaser to grant a secured loan to the Purchaser in the principal amount of up to RM7.0 million in aggregate (“**Loan**”), of which RM5.3 million may be used to fund the Acquisition and the relevant Acquisition expenses. Please refer to the aforesaid announcements of the Company for further details of the Loan and the security granted.

LETTER TO SHAREHOLDERS

2.3.3. Completion Date

Under the SSA, subject to, *amongst others*, the fulfilment of the Conditions Precedent (as defined in Section 2.3.4 of this Circular), Completion shall take place on the date falling five (5) business days from the date of fulfilment of the last Condition Precedent or such other date as may be agreed by the Vendors and the Purchaser in writing (the “**Completion Date**”). The Vendors and the Purchaser shall procure the fulfilment of the Conditions Precedent within 30 days from the date of the SSA or, where any of the Conditions Precedent is not fulfilled within the aforesaid 30-day period, 60 days from the date of the SSA (“**Conditional Period**”).

As announced on 8 December 2020, the Acquisition was duly completed on 7 December 2020 (i.e. Completion Date).

2.3.4. Conditions Precedent

Unless waived by the Vendors and the Purchaser in accordance with the SSA, Completion was conditional upon, *amongst others*, the following conditions:

- (a) the Vendors obtaining a written approval from the licensors of the “KidZania” brand name, KidZania, S.A.P.I. de C.V. and KidZania de México, S.A. de C.V., for the Acquisition;
 - (b) the Vendors obtaining all necessary consents, waivers and approvals for the Acquisition and all other transactions contemplated under the SSA from any other persons or relevant authority (if necessary) in accordance with the SSA; and
 - (c) the Purchaser obtaining, *amongst others*, the Waiver,
- (collectively, the “**Conditions Precedent**”).

The aforesaid Conditions Precedent were satisfied and fulfilled prior to Completion.

2.3.5. Termination of the SSA

(a) *Non-fulfilment of Conditions Precedent*

The SSA may be terminated following the expiry of the Conditional Period where any of the Conditions Precedent is not fulfilled within the Conditional Period, unless otherwise agreed by the Vendors and the Purchaser, and the Refundable Deposit shall be refunded together with all interest accrued.

(b) *Breach by the Vendors*

The SSA may be terminated by the Purchaser prior to Completion Date by written notice if the Vendors fail to perform its obligations or breach the terms of the SSA; and such failure is not remedied within 10 business days (or such other longer period as may be specified by the Purchaser) of the written notice by the Purchaser specifying such breach.

In the event the SSA is terminated in accordance with this Section 2.3.5(b) of this Circular, the Refundable Deposit shall be refunded together with all interest accrued and the Vendors shall also pay a further sum equivalent to the Refundable Deposit to the Purchaser as liquidated damages.

LETTER TO SHAREHOLDERS

(c) *Breach by the Purchaser*

The SSA may be terminated by the Vendors by written notice and the Vendors may retain the Refundable Deposit in full if the Purchaser fails to carry out its payment obligations in accordance with the SSA and such failure is not remedied within 10 business days (or such other longer period as may be specified by the Vendors) of the written notice by the Vendors specifying such breach.

2.3.6. Other Material Terms

(a) *Existing Cash*

On the Completion Date, RRSB shall transfer to TAR any cash held by RRSB up to and including the Completion Date, less the salaries, wages, overtime payments, benefits and mandatory contributions of all existing employees, directors and officers of RRSB payable by RRSB up to the Completion Date as well as any retrenchment compensations and benefits.

(b) *Apportionment of Sponsorship Revenue*

TAR shall also be entitled to all sponsorship revenue payable or paid in advance for the period up to and including the Completion Date. Such sponsorship revenue comprises sponsorship fees and other monies due from sponsors of RRSB under existing sponsorship agreements in respect of the promotion of such sponsors' image or branding at KZKL or at any activity or programme conducted by RRSB.

(c) *Acquisition-related Fees*

The Purchaser shall bear due diligence, professional and consultancy fees of S\$530,000 to be paid to third-party consultants on Completion Date for purposes of the Acquisition. The said consultants and its directors and shareholders are not related to the Company, the Group, the Directors or Substantial Shareholders of the Company and their respective Associates.

(d) *Inter-Company Liabilities*

Pursuant to the terms of the SSA, the Vendors and the Purchaser have agreed that all inter-company liabilities due and owing from RRSB to TAR, TAR&H and each of its respective group of companies including related corporations ("**Inter-Company Liabilities**") as at Completion Date shall be written off.

The aforesaid terms and conditions were complied with and fulfilled prior to or on Completion Date.

2.4. **Valuation of RRSB**

No independent valuation was carried out in connection with the Acquisition as the Board is of the view that the management team of the Company had negotiated the most competitive purchase price and terms, which are in the best interests of the Company and its Shareholders.

LETTER TO SHAREHOLDERS

2.5. Rationale for and Benefits of the Acquisition

The Board is of the view that the Acquisition would provide the following commercial benefits to the Group:

- (a) KZKL began its operations in 2012 and to date has more than 20 recognised international and local commercial partners for the activities. The Acquisition allows the Group to acquire a business with an established track record and expand its offering to include indoor themed attractions in addition to the existing outdoor ones.
- (b) The Acquisition is in the interests of the Group and will enhance Shareholders' value in the long term. The Group and RRSB are in a similar business of themed attraction operators and the Acquisition is in line with the Group's long-term growth strategy to expand its business. In addition to Escape Challenge at Paradigm Mall, the Acquisition will allow the Group to further extend its geographical reach beyond Penang by having an increased presence in Klang Valley.
- (c) The Acquisition will also enhance the Group's reputation as not just an outdoor theme park operator but also a trusted operator under a world-renowned brand, KidZania.

Based on information set out in Section 2.4 of this Circular and the above, the Board is of the view that the Acquisition is in the best interests of the Company.

3. CHAPTER 10 OF THE CATALIST RULES

3.1. Relative figures under Rule 1006 of the Catalist Rules

The relative figures for the Acquisition computed on the bases set out in Rule 1006 of the Catalist Rules and the Group's latest announced unaudited consolidated financial statements for HY2020, are as follows:

Rule 1006	Bases	Relative Figures
(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value	Not applicable ⁽¹⁾
(b)	The net profits ⁽²⁾ attributable to the assets acquired compared with the Group's net profits	156% ⁽³⁾
(c)	The aggregate value of the consideration given or received compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	4% ⁽⁴⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁵⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not an acquisition of such assets.	Not applicable ⁽⁶⁾

LETTER TO SHAREHOLDERS

Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable to an acquisition of assets.
- (2) Net profits is defined to be profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) The relative figure for Rule 1006(b) of the Catalist Rules had been computed based on the net loss before income tax of RRSB of approximately RM4.0 million for HY2020 and the net loss before income tax of the Group of approximately RM2.5 million for HY2020.
- (4) This is calculated based on the Purchase Consideration of RM3.8 million (equivalent to approximately S\$1.25 million based on an exchange rate of RM1.00 : S\$0.3289), and the Company's market capitalisation of approximately S\$30.46 million. The market capitalisation of the Company was computed based on the issued share capital of the Company of 147,647,500 Shares and the volume weighted average price of S\$0.2063 per Share, based on trades transacted on 3 November 2020 (being the last market day preceding the date of the SSA on which the Shares were transacted).
- (5) Rule 1006(d) of the Catalist Rules is not applicable as no equity securities are to be issued by the Company as part of the Purchase Consideration for the Acquisition.
- (6) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

The relative figure for the Acquisition computed on the basis of Rule 1006(b) of the Catalist Rules (based on the respective absolute figures) exceeds 100%. It is noted that pursuant to Rule 1015(1)(a) of the Catalist Rules, where an acquisition of assets is one where any of the relative figures as computed on the bases set out in Rule 1006 is 100% or more, the transaction is classified as a "very substantial acquisition". However, as the Acquisition involves an acquisition of a loss-making asset by a loss-making issuer, pursuant to Rule 1007 of the Catalist Rules, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances in Practice Note 10A of the Catalist Rules. As the Acquisition does not fall under the circumstances of paragraphs 4.3 and 4.4 of Practice Note 10A of the Catalist Rules, pursuant to paragraph 4.6 of Practice Note 10A of the Catalist Rules, Rule 1014 of the Catalist Rules shall apply to the Acquisition, being that the Acquisition will be regarded as a "major transaction".

Pursuant to Rule 1014(2) of the Catalist Rules, a "major transaction" must be made conditional upon approval by shareholders of an issuer at an extraordinary general meeting to be convened.

3.2. Waiver from Rule 1014(2) of the Catalist Rules

Due to the time sensitive nature of the Acquisition, the Company had, on 10 November 2020, through its Sponsor, made an application to the SGX-ST for a waiver from strict compliance of Rule 1014(2) of the Catalist Rules which requires the prior approval of Shareholders in relation to the Acquisition, and to seek the approval of SGX-ST for the Company to instead obtain the approval of Shareholders by way of ratification after Completion ("**Waiver Application**").

LETTER TO SHAREHOLDERS

3.2.1. The Waiver Application was sought on, *inter alia*, the following grounds:

(a) Time sensitive nature of the transaction

Pursuant to discussions with the Vendors and due to circumstances of RRSB, the Acquisition has to be completed on an urgent basis. If the Acquisition is not completed in time, the offer may be withdrawn by the Vendors. Accordingly, if the Company was required to seek prior approval from Shareholders for the Acquisition, this could negatively impact the Company's chances of success in completing the Acquisition. As such, the Board is of the view that it is to the benefit of the Company and Shareholders to expeditiously complete the Acquisition and to take advantage of such opportunity.

(b) No material change in the Company's risk profile arising from the Acquisition and accordingly there is no prejudice to Shareholders for Completion to take place prior to obtaining Shareholders' approval

The Board is of the view that the Acquisition would not materially change the risk profile of the Group based on the following reasons:

(i) No change in control of the Company

The Acquisition will not result in a change in control of the Company as the Acquisition does not involve any issue of Shares by the Company and the Vendors will not have any board representation on the Company as a condition to the Acquisition.

(ii) RRSB is in a similar business as that of the Group and the Acquisition does not change the core business of the Group

The Group and RRSB are in a similar business, which is the operation of themed attractions in Malaysia. The main difference in the business of the Group and that of RRSB is that the Group develops and operates outdoor theme parks whereas RRSB operates an indoor educational and entertainment centre for children. As such, the Acquisition would not change the core business of the Group, but rather would allow the Company to complement its existing core business to include an indoor theme attraction in addition to existing outdoor ones, and also further extend its geographical reach beyond Penang and to have an increased presence in Klang Valley. This is in line with the Group's current growth strategy in expanding geographically within Malaysia.

(iii) No significant adverse impact on the Group's earnings, working capital and gearing

The Acquisition is made in the ordinary course of business and will not result in a material change to the nature of the Group's business. The Board believes that the Acquisition will not have a significant adverse impact on the Group's earnings, working capital and gearing after Completion having considered that:

(aa) The Company intends to undertake a cost rationalisation exercise in respect of the RRSB's business to reduce operational and administrative costs and to ensure that the current cost structure is in line with revenue in light of the Coronavirus (COVID-19) pandemic.

(bb) The write-off of the Inter-Company Liabilities will also ensure that the working capital of the Group will not be strained after taking over the existing operations of RRSB. Working capital has also been set aside to re-open and

LETTER TO SHAREHOLDERS

re-launch the business of RRSB. Going forward and subject to improving market conditions, RRSB is expected to be able to self-finance its operations (without requiring further working capital from the Group) using the revenue generated from sponsorship fees as well as ticketing revenue.

- (cc) Based on the pro forma financial effects of the Acquisition as set out in the Company's announcement dated 4 November 2020 (and set out in Section 4.1 of this Circular), the Acquisition will increase the NTA per Share of the Group, which will ultimately strengthen the Group's balance sheet and allow the Group to increase its borrowings in the future should the Group seek to expand overseas after the COVID-19 pandemic.

- (iv) No expansion of the Company's business to a new geographical market and/or a new business sector

The assets and revenue stream of both the Group and RRSB are largely in respect of the operation of themed attractions in Malaysia with a target segment that comprises children and adults. Accordingly, the Acquisition will not result in any material change to the Group's existing business profile but instead, present more opportunities for the Group to expand its core business, extend its reach in the children's segment and augment its strategic position in the theme parks and attractions industry in Malaysia.

In terms of its geographical market, the Group and RRSB both derive revenue primarily from their operation of themed attractions in Malaysia and have similar core businesses.

In view of the above, the Acquisition will not result in an expansion of the Company's business to a new geographical market and/or a new business sector.

- (v) The terms of the Acquisition were negotiated between the Vendors and SLE based on arm's length negotiations and arrived at on a willing-buyer willing-seller basis, after taking into account, the financial performance of RRSB for FY2019 and HY2020, the writing off of the Inter-Company Liabilities as at the date of Completion, as well as the potential benefits to the Group arising from the Acquisition.

- (c) Irrevocable undertaking by the Company's Substantial Shareholders

The Substantial Shareholders of the Company, namely Mr Sim Choo Kheng, Mr Tan Boon Seng and Tropika Kiara Sdn. Bhd. ("**TKSB**" and collectively, the "**Undertaking Shareholders**"), holding in aggregate approximately 79.94% shareholding interest in the Company as at the date of the Waiver Application, have provided irrevocable undertakings ("**Irrevocable Undertakings**") to the Company to (i) vote in favour of the Acquisition; and (ii) not decrease their current shareholdings in the Company until after the EGM has been convened. Mr Tan Boon Seng has also provided an undertaking ("**TBS Undertaking**") to procure that TKSb complies with such undertaking. Accordingly, the Ordinary Resolution would have duly passed even if a Shareholders' meeting were to be required for the purposes of approving the Acquisition prior to Completion.

- 3.2.2. The SGX-ST had, on 19 November 2020, informed the Company that the SGX-ST has no objection to the Waiver Application with regard to compliance with Rule 1014(2) of the Catalist Rules (the "**Waiver**"), subject to the following Waiver Conditions being fulfilled:

LETTER TO SHAREHOLDERS

- (a) the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Rule 106 of the Catalist Rules and if the Waiver Conditions have been satisfied. If the Waiver Conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (b) the Company obtaining Shareholders' approval for the Acquisition by way of ratification at an EGM to be convened within three (3) months from Completion; and
- (c) the Company disclosing in the Circular why the Acquisition is in the best interest of the Company,

(collectively, the **"Waiver Conditions"**).

The SGX-ST had also stated that the Company is required to make immediate disclosures via SGXNet if it is / will be in contravention of any laws and regulations governing the Company and the Constitution of the Company (or the equivalent in the Company's country of incorporation) arising from the Waiver.

3.2.3. On 19 November 2020, the Company announced the Waiver granted by SGX-ST, in satisfaction of the Waiver Condition under Section 3.2.2(a) of this Circular. The Company has, in Section 2.5 of this Circular, set out information on why the Acquisition is in the best interest of the Company, in satisfaction of the Waiver Condition under Section 3.2.2(c) of this Circular. As at the Latest Practicable Date, save for the Waiver Condition under Section 3.2.2(b) of this Circular in respect of approval of Shareholders for the Acquisition by way of ratification (which is the subject of this Circular), all the Waiver Conditions have been satisfied.

3.2.4. The Company confirms that it is not and will not be in contravention of any laws and regulations governing the Company and the Constitution of the Company arising from the Waiver.

4. FINANCIAL EFFECTS OF THE ACQUISITION

The *pro forma* financial effects of the Acquisition are presented for illustrative purposes only and are not intended to reflect the actual future financial performance and position of the Company or the Group after Completion.

The *pro forma* financial effects set out below have been computed based on (i) the latest audited consolidated financial statements of the Group for FY2019, (ii) the audited financial statements of RRSB for FY2019, and (iii) the following bases and key assumptions:

- (a) the financial effects of the Acquisition on the NTA per Share of the Group are computed assuming that the Acquisition was completed on 31 December 2019;
- (b) the financial effects of the Acquisition on the EPS of the Group are computed assuming that the Acquisition was completed on 1 January 2019;
- (c) the assets and liabilities of RRSB are based on book value and no fair valuation exercise has been undertaken in respect of such assets and liabilities, and accordingly, the difference between the Purchase Consideration and the fair values of the net assets of RRSB is the goodwill amount. As the final goodwill/bargain purchase will have to be determined at Completion Date, the actual goodwill/bargain purchase could be materially different from the amount derived based on the assumption used;
- (d) the writing off of the Inter-Company Liabilities is computed based on the balance outstanding of approximately RM11.6 million as at 31 December 2019;

LETTER TO SHAREHOLDERS

- (e) the Existing Cash (as set out in Section 2.3.6(a) of this Circular) and the Apportionment of Sponsorship Revenue (as set out in Section 2.3.6(b) of this Circular) have been disregarded for the purposes of the computations of the financial effects;
- (f) the payment of the Purchase Consideration is satisfied using internal cash resources. For avoidance of doubt, as the Loan was extended to the Group subsequent to 31 December 2019, the Loan has not been considered in the computation of the financial effects;
- (g) exchange rate of RM1.00 : S\$0.3289 is used for the computations; and
- (h) expenses incurred in connection with the Acquisition are estimated to be approximately S\$530,000.

For the avoidance of doubt, the number of Shares used in the computation of the financial effects of the Acquisition on the NTA per Share and EPS of the Group are based on the number of Shares as at 31 December 2019, before the issuance and allotment of new Shares in May 2020.

4.1. NTA per Share

As at 31 December 2019	Before the Acquisition	After the Acquisition
NTA (S\$'000)	16,969	23,326
Number of Shares	129,755,833	129,755,833
NTA per Share (S\$ cents)	1.31	1.80

4.2. EPS

FY2019	Before the Acquisition	After the Acquisition
Profit attributable to owners of the Company (S\$'000)	77	6,638
Weighted average number of Shares	129,755,833	129,755,833
EPS (S\$ cents)	0.06	5.12

4.3. Gearing

As at 31 December 2019	Before the Acquisition	After the Acquisition
Total borrowings of the Group (S\$'000)	2,711	2,711
Total equity of the Group (S\$'000)	16,969	23,854
Gearing ⁽¹⁾ (time)	0.16	0.11

Note:

- ⁽¹⁾ Gearing refers to the ratio of "Total borrowings" to "Total equity".

LETTER TO SHAREHOLDERS

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The details of the Directors' interests, Substantial Shareholders' interests and the public shareholdings in the Company as at the Latest Practicable Date are set out as follows:

Directors	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Sim Choo Kheng	91,183,730	61.76	-	-	91,183,730	61.76
Silviya Georgieva	665,395	0.45	-	-	665,395	0.45
Georgieva						
Tay Eng Kiat	-	-	-	-	-	-
Jackson						
Yong Oi Ling	-	-	-	-	-	-
Chung Yew Pong	32,000	0.02	-	-	32,000	0.02
Tan Boon Seng ⁽²⁾	1,000,000	0.67	25,845,000	17.50	26,845,000	18.18
Substantial Shareholder(s) (other than Directors)						
Tropika Kiara Sdn Bhd ⁽²⁾	25,845,000	17.50	-	-	25,845,000	17.50

Notes:

- (1) Based on 147,647,500 Shares in issue as at the Latest Practicable Date.
- (2) The entire issued and paid-up share capital of TKSB is held by RHB Trustees Berhad as bare trustee for the SWY Trust. The SWY Trust is a family trust and the named beneficiaries are Mr Tan Boon Seng, Mr Tan Boon Yao and Mr Tan Boon Wy ("**Named Beneficiaries**"). The Named Beneficiaries are also settlors of the SWY Trust. Mr Tan Boon Seng is also in charge of operating the assets within the SWY Trust. Mr Tan Boon Seng is also a Director of TKSB. By virtue of Section 4 of the SFA, Mr Tan Boon Seng is deemed to have an interest in the Shares in the Company held by TKSB.

Save as disclosed under Section 2.3.2(b) of this Circular in respect of the Loan where part of the Loan shall be used to fund the Acquisition and relevant Acquisition expenses, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Acquisition (other than through their respective shareholdings in the Company, if any).

6. DIRECTORS' RECOMMENDATION

Having considered, *amongst others*, the terms, rationale for and benefits of the Acquisition, the Directors are of the opinion that the Acquisition is in the best interests of the Company and its Shareholders. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Acquisition to be proposed at the EGM.

7. IRREVOCABLE UNDERTAKINGS

The Undertaking Shareholders, holding in aggregate approximately 79.94% shareholding interest in the Company as at the date of the Waiver Application and as at the Latest Practicable Date, had

LETTER TO SHAREHOLDERS

provided the Irrevocable Undertakings to the Company to, *amongst others*, vote in favour of the Acquisition at the EGM.

8. SERVICE CONTRACTS

As at the date of the SSA and as at the Latest Practicable Date, no person is proposed to be appointed as a director of the Company in connection with the Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

9. EXTRAORDINARY GENERAL MEETING

An EGM will be held by way of electronic means on Thursday, 4 March 2021 at 11 a.m. for the purpose of considering and, if thought fit, passing, with or without any modifications, the Ordinary Resolution as set out in the Notice of EGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to vote on the Ordinary Resolution at the EGM must appoint the Chairman of the EGM as their proxy by completing the Proxy Form as attached to the Notice of EGM.

Please refer to the alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM as set out in the Company's announcement dated 17 February 2021, which has been uploaded together with this Circular on SGXNet and the Company's corporate website at <https://simleisuregroup.com/announcements> on the same day.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the time fixed for the holding of the EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

12. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of each of the following documents may be inspected at the Company's registered office at 138 Robinson Road, #26-03 Oxley Tower, Singapore 068906 during normal business hours for a period of (3) months from the date of this Circular:

- (a) the SSA;
- (b) the annual report of the Company for FY2019;
- (c) the Irrevocable Undertakings and the TBS Undertaking; and
- (d) the Constitution of the Company.

LETTER TO SHAREHOLDERS

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the COVID-19 outbreak, please contact the Company's Corporate Secretarial Representative at +65 6236 9346 at least three (3) working days' in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents.

Yours faithfully
For and on behalf of the Board of Directors of
SIM LEISURE GROUP LTD.

Sim Choo Kheng
Executive Director and CEO

NOTICE OF EXTRAORDINARY GENERAL MEETING

SIM LEISURE GROUP LTD.

(Incorporated in the Republic of Singapore)
Company Registration Number 201808096D

All capitalised terms in this Notice shall, unless otherwise defined in this Notice, bear the respective meanings ascribed thereto in the circular to shareholders dated 17 February 2021 issued by the Company.

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING** (“EGM”) of Sim Leisure Group Ltd. (“**Company**”) will be held by way of electronic means on Thursday, 4 March 2021 at 11 a.m. for the purpose of considering and, if thought fit, passing with or without any modifications the following Resolution:-

ORDINARY RESOLUTION:

THE ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF RAKAN RIANG SDN BHD

That:-

- (i) the acquisition by the Company’s wholly-owned subsidiary, Sim Leisure Escape Sdn. Bhd. (“**SLE**”), of the entire issued and paid-up share capital of Rakan Riang Sdn Bhd for an aggregate purchase consideration of RM3.8 million (the “**Acquisition**”), pursuant to the sale of shares agreement entered into between SLE, Themed Attractions and Resorts Sdn. Bhd. and Boustead Curve Sdn. Bhd., as may be amended, modified or supplemented, be and is hereby approved, confirmed and ratified;
- (ii) the Directors of the Company and each of them be hereby authorised to complete and do all such acts and things (including approving, amending, modifying, supplementing and executing all such documents and ancillary documents and making all such amendments thereto as may be required in connection with the Acquisition) as they may consider expedient or necessary or in the interests of the Company to give effect to the Acquisition and this Resolution; and
- (iii) any acts, matters and things done or performed, and/or documents signed, executed, sealed and/or delivered by a Director in connection with the Acquisition and this Resolution be and are hereby approved, confirmed and ratified.

BY ORDER OF THE BOARD
SIM LEISURE GROUP LTD.

SIM CHOO KHENG
Executive Director and CEO
17 February 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM of the Company to be held on Thursday, 4 March 2021 at 11 a.m. (the “**Meeting**”) are set out in the Company’s announcement dated 17 February 2021 (the “**Announcement**”), which has been uploaded together with this Notice of EGM on SGXNet on the same day. The Announcement may also be accessed at the URL <https://simleisuregroup.com/announcements>. For the avoidance of doubt, the Announcement is circulated together with and forms part of this Notice of EGM in respect of the Meeting.

In particular, the Meeting will be held by way of electronic means and a member of the Company will be able to view the proceedings of the Meeting contemporaneously through a “live” audio-visual webcast (“**LIVE WEBCAST**”) via his/her/its mobile phones, tablets or computers or listen to these proceedings contemporaneously through a “live” audio-only feed (“**AUDIO ONLY MEANS**”) via telephone. In order to do so, a member of the Company who wishes to view the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must pre-register by 11 a.m. on 1 March 2021 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting), at the URL: <https://forms.gle/PGo6jKwySipa98w88>. Following authentication of his/her/its status as members of the Company, authenticated members of the Company will receive email instructions on how to access the LIVE WEBCAST and AUDIO ONLY MEANS to observe the proceedings of the Meeting by 3 March 2021.

A member of the Company who pre-registers to view the LIVE WEBCAST or listen via the AUDIO ONLY MEANS may also submit questions related to the resolution to be tabled for approval at the Meeting. To do so, all questions must be submitted by 11 a.m. on 1 March 2021 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting) by email to investorrelations@simleisuregroup.com.

- (2) Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Meeting in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Meeting. In appointing the Chairman of the Meeting as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
- (3) The Chairman of the Meeting, as proxy, need not be a member of the Company.
- (4) The instrument appointing the Chairman of the Meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
- (a) if sent personally or by post, be lodged at the office of the Company’s Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
 - (b) if submitted by email, be received by the Company’s Share Registrar, B.A.C.S. Private Limited at investorrelations@simleisuregroup.com,

in either case, by 11 a.m. on 1 March 2021 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

- (5) The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.
- (6) A corporation which is a member may authorise by resolution of its director or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Personal Data Privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to vote at the Meeting and/or any adjournment thereof, or (b) submitting details for the pre-registration to observe the proceedings of the Meeting via LIVE WEBCAST or AUDIO ONLY MEANS, or (c) submitting any question prior to the Meeting in accordance with this Notice of EGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents) of proxy forms appointing the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the LIVE WEBCAST or AUDIO ONLY MEANS to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

PROXY FORM

SIM LEISURE GROUP LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 201808096D)

PROXY FORM – EXTRAORDINARY GENERAL MEETING

(Please see notes overleaf before completing this Form)

This proxy form has been made available on SGXNet and the Company's website and may be accessed at the URL <https://simleisuregroup.com/announcements>. A printed copy of this proxy form will NOT be despatched to members of the Company.

IMPORTANT:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the EGM (as defined herein) are set out in the Company's announcement dated 17 February 2021 (the "Announcement") which has been uploaded together with the Notice of EGM dated 17 February 2021 on SGXNet on the same day. The Announcement may also be accessed at the URL <https://simleisuregroup.com/announcements>. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of EGM dated 17 February 2021 in respect of the EGM.
2. A member of the Company will not be able to attend the EGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. Please read the notes to this proxy form.

PERSONAL DATA PRIVACY

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 17 February 2021.

I/We,.....(Name).....(NRIC/Passport No./Company Registration No.) of.....(Address) being a member/members of **SIM LEISURE GROUP LTD.** (the "**Company**"), hereby appoints the Chairman of the extraordinary general meeting of the Company (the "**EGM**"), as *my/our proxy to vote for *me/us on *my/our behalf at the EGM to be held by way of electronic means on Thursday, 4 March 2021 at 11 a.m. and at any adjournment thereof. *I/We direct the Chairman of the EGM to vote for or against, or abstain from voting on the Resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the appointment of the Chairman of the EGM as *my/our proxy will be treated as invalid.

The Resolution put to the vote at the EGM shall be decided by way of poll.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant Resolution, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" each Resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for the Resolution, you are directing your proxy, who is the Chairman of the EGM, not to vote on the Resolution.

Ordinary Resolution	By way of poll		
	For	Against	Abstain
To approve, confirm and ratify the acquisition of the entire issued and paid-up share capital of Rakan Riang Sdn Bhd			

Dated this _____ day of _____ 2021

Total Number of Shares Held in:

(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or, Common Seal of Corporate Member

* Delete as appropriate

**IMPORTANT: PLEASE READ NOTES FOR PROXY FORM CAREFULLY BEFORE
COMPLETING THIS PROXY FORM**

PROXY FORM

NOTES TO PROXY FORM:

1. Please insert the total number of shares in the capital of the Company (“**Shares**”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the EGM as proxy shall be deemed to relate to all the Shares held by you.
2. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the EGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the EGM, he/she/it must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. This instrument appointing the Chairman of the EGM as proxy must:
 - a) if sent personally or by post, be lodged at the office of the Company's Share Registrar, B.A.C.S. Private Limited, at 8 Robinson Road, #03-00 ASO Building, Singapore 048544; or
 - b) if submitted by email, be received by the Company's Share Registrar, B.A.C.S. Private Limited at investorrelations@simleisuregroup.com,

in either case, by 11 a.m. on 1 March 2021 (being not less than seventy-two (72) hours before the time appointed for holding the EGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

4. This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.
 - a) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.
 - b) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.
5. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act (Cap 50) of Singapore, the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
6. For investors who hold Shares under the Supplementary Retirement Scheme (“**SRS Investors**”), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. SRS Investors who wish to appoint the Chairman of the EGM to act as their proxy should approach their respective SRS Operators to submit their votes at least seven (7) working days before the EGM.

PROXY FORM

General:

The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the EGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of EGM dated 17 February 2021.