

CIRCULAR DATED 24 APRIL 2020

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. (“Company”). If you are in any doubt in relation to this Circular or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

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

The Notice of EGM and the Proxy Form are enclosed with this Circular. If you have sold or transferred all your Shares held through CDP, you need not forward this Circular, together with the accompanying Notice of EGM and the Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular, together with the accompanying Notice of EGM and the Proxy Form to be sent to the purchaser or transferee. If you have sold all your Shares represented by physical share certificate(s), you should immediately forward this Circular, together with the accompanying Notice of EGM and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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 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.

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.



SIM LEISURE GROUP LTD.

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED ISSUE OF 13,422,500 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.22 PER NEW SHARE (OR AN AGGREGATE ISSUE PRICE OF S\$2,952,950) TO TROPIKA KIARA SDN BHD.

IMPORTANT DATES AND TIMES:

Last date and time for deposit of Proxy Form : 8 May 2020 at 11.30 a.m.

Date and time of Extraordinary General Meeting : 11 May 2020 at 11.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company held on the same day at 11.00 a.m.)

Place of Extraordinary General Meeting : The EGM will be held by way of electronic means (via LIVE WEBCAST and/or AUDIO ONLY MEANS)

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DEFINITIONS

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

- “Associate”** : (a) In relation to any Director, chief executive officer, 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
- “Audit Committee”** : The audit committee of the Company as at the Latest Practicable Date
- “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 24 April 2020
- “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 Proposed Subscription on the terms and subject to the conditions of the Subscription Agreement
- “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

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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 on 11 May 2020 at 11.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company held on the same day at 11.00 a.m.), notice of which is set out on pages N1 to N3 of this Circular
“Enlarged Issued Share Capital”	:	Has the meaning ascribed to it in Section 2.2 of this Circular
“EPS”	:	Earnings per Share
“Existing Issued Share Capital”	:	Has the meaning ascribed to it in Section 2.2 of this Circular
“FY2019”	:	Financial year of the Company ended 31 December 2019
“Group”	:	The Company and its subsidiaries as at the date of this Circular
“Issue Price”	:	The issue price of the New Shares, being S\$0.22 per New Share
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 22 April 2020
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Net Proceeds”	:	Has the meaning ascribed to it in Section 3 of this Circular
“New Shares”	:	The 13,422,500 new Shares to be allotted and issued by the Company to the Subscriber pursuant to the Proposed Subscription
“Notice of EGM”	:	The notice of EGM as set out on pages N1 to N3 of this Circular
“NTA”	:	Net tangible assets
“Proposed Subscription”	:	The proposed subscription of 13,422,500 New Shares by the Subscriber at the Issue Price of S\$0.22 per New Share (or an aggregate issue price of S\$2,952,950) and the allotment and issuance of 13,422,500 New Shares by the Company to the

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	Subscriber on the terms and subject to the conditions of the Subscription Agreement
“Proxy Form”	: The proxy form in respect of the EGM as set out in this Circular
“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.
“Subscriber”	: Tropika Kiara Sdn Bhd
“Subscription Agreement”	: The subscription agreement dated 24 March 2020 entered into by the Company with the Subscriber
“Substantial Shareholder”	: A Shareholder who has an interest (directly or indirectly) in not less than 5% of the total issued share capital of the Company
“S\$”, “\$” and “cents”	: Singapore dollars and cents, respectively
“%” 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 terms **“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 Catalyst 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 Catalyst Rules or such statutory modification thereof, as the case may be, unless otherwise provided.

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

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

LETTER TO SHAREHOLDERS

SIM LEISURE GROUP LTD.

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

Directors:

Sim Choo Kheng	Executive Director and CEO
Silviya Georgieva Georgieva	Executive Director
Tay Eng Kiat Jackson	Chairman and Independent Director
Yong Oi Ling	Independent Director
Chung Yew Pong	Independent Director

Registered Office:

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

24 April 2020

To: The Shareholders of Sim Leisure Group Ltd.

1. INTRODUCTION

The Board is convening the EGM to seek Shareholders' approval for the Proposed Subscription.

The purpose of this Circular is to provide Shareholders with the relevant information, explain the rationale for, and to seek Shareholders' approval for the Proposed Subscription at the EGM. The Notice of EGM is set out on pages N1 to N3 of this Circular.

2. THE PROPOSED SUBSCRIPTION

2.1 Background

On 24 March 2020, the Company announced that it had, on 24 March 2020, entered into the Subscription Agreement with the Subscriber pursuant to which the Subscriber has agreed to subscribe for, and the Company has agreed to allot and issue to the Subscriber, the New Shares at the Issue Price, on the terms and subject to the conditions of the Subscription Agreement.

The Proposed Subscription will be undertaken by way of an exempt offering in Singapore in accordance with Section 272B (private placement) of the SFA. As such, no prospectus, offer document or other information statement will be issued by the Company and lodged with the SGX-ST acting as agent on behalf of the Monetary Authority of Singapore in connection with the Proposed Subscription.

There is no placement agent appointed for the Proposed Subscription. The Subscriber was introduced to the Company by Ms Lena Yong, an independent Director of the Company. No introducer, referral or commission fees have been paid or will be payable by the Company in connection with the Proposed Subscription. The Subscriber is subscribing for the New Shares for investment purposes.

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2.2 The New Shares

The New Shares shall be issued free from any claims, charges, liens and other encumbrances whatsoever and shall rank, *pari passu*, in all respects with the existing Shares, save that the New Shares will not rank for any dividends, rights, allotments, distributions or other entitlements, the record date of which falls on or before the date of Completion.

Upon the allotment and issuance of the New Shares, the Company's existing issued and paid-up share capital will increase from 134,225,000 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date ("**Existing Issued Share Capital**") to 147,647,500 Shares (excluding treasury shares and subsidiary holdings) immediately after the Completion (assuming that the Company does not allot and issue additional new Shares up to Completion) ("**Enlarged Issued Share Capital**"). The New Shares will represent 10.0% of the Existing Issued Share Capital and 9.1% of the Enlarged Issued Share Capital. Please refer to Section 4 of this Circular for further information on the increase in the Company's issued and paid-up share capital arising from the Proposed Subscription.

2.3 Issue Price

The Issue Price of S\$0.22 represents a premium of approximately 2.3% to the volume-weighted average price of S\$0.215 per Share, based on the trades done on the SGX-ST on 24 March 2020, being the last full Market Day which the Shares were traded immediately preceding the date and up to the time the Subscription Agreement is signed.

The Issue Price was commercially agreed upon between the Company and the Subscriber after arm's length negotiations and taking into consideration the historical trading performance of the Company and prevailing market conditions.

2.4 Details of the Subscriber

The information in this section relating to the Subscriber is based on information provided by and/or representations made by the Subscriber. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

The Subscriber is an investment holding company which owns and operates Malaysia's largest Chinese restaurant food chain including renowned brands such as Dragon-I, Canton-I, Ho Min San and the Japanese franchise Yayoi, and has at present about 40 restaurants spread over Peninsular Malaysia and the state of Sabah. It also owns the Advance Tertiary College with 750 students across two (2) campuses in Kuala Lumpur and Penang. In addition, the Subscriber owns two (2) unique FMCG brands including Bad Lab and Good Virtues which specialise in personal grooming products.

As at the Latest Practicable Date, the Subscriber is a Substantial Shareholder, and has interests in 12,422,500 Shares, representing approximately 9.25% of the Existing Issued Share Capital.

The entire issued and paid-up share capital of the Subscriber is held by RHB Trustees Berhad as bare trustee for SWY Trust, which is a family trust and the named beneficiaries are Mr Tan Boon Seng ("**Mr Tan**"), Mr Tan Boon Yao and Mr Tan Boon Wy. Mr Tan is also a director of the Subscriber. As at the Latest Practicable Date, Mr Tan has direct interest in 1,000,000 Shares, and deemed interest in the Shares held by the Subscriber, and accordingly he has total

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interest (direct and deemed) in 13,422,500 Shares, representing 10.0% of the Existing Issued Share Capital.

Following Completion (and assuming that the Company does not allot and issue additional new Shares up to Completion), (i) the Subscriber's interests in the Company will increase to 25,845,000 Shares, representing approximately 17.5% of the Enlarged Issued Share Capital, and (ii) Mr Tan's total interest (direct and deemed) in the Company will increase to 26,845,000 Shares, representing approximately 18.2% of the Enlarged Issued Share Capital. Accordingly, each of the Subscriber and Mr Tan will become a Controlling Shareholder following Completion.

Save for the Subscriber and Mr Tan being Substantial Shareholders, the Company confirms that none of the Directors or Substantial Shareholders has, to the best of their knowledge, any connection (including business relationships) with the Subscriber or its directors or substantial shareholders.

2.5 Rules 803 and 812 of the Catalist Rules

Pursuant to Rule 803 of the Catalist Rules, the Company must not issue securities to transfer a controlling interest without prior approval of Shareholders in a general meeting. In addition, Rules 812(1)(a) and 812(2) of the Catalist Rules provide that, save where specific Shareholders' approval for such a placement has been obtained, the Company must not place or issue any Shares to, *amongst others*, a Substantial Shareholder.

As the Proposed Subscription will result in a transfer of controlling interest in the Company to the Subscriber and Mr Tan, each being a Substantial Shareholder, the Proposed Subscription will be subject to Shareholders' approval pursuant to Rules 803 and 812 of the Catalist Rules.

2.6 Conditions Precedent to Completion

In accordance with the Subscription Agreement, Completion is conditional upon:

- (a) the relevant approvals (if required) from the Company's Sponsor, governmental agencies and regulatory bodies, as well as the listing and quotation notice from the SGX-ST in respect of the listing of the New Shares on the Catalist board of the SGX-ST having been obtained and such approval being in full force and effect; and if obtained subject to conditions, such conditions being reasonably acceptable to the Company and the Subscriber and are timely and satisfactorily fulfilled;
- (b) the issue and subscription of the New Shares not being prohibited by any Applicable Laws¹;
- (c) the approval of Shareholders for the Proposed Subscription and the allotment and issuance of the New Shares at the Issue Price; and
- (d) the representations and warranties of the Company and the Subscriber in the Subscription Agreement being true and accurate and not misleading as at the date of

¹ Applicable Laws refers to any publicly available law, statute, rule, regulation or code, or order, decree, requirement, judgment or decision of any governmental or regulatory body or authority or court of competent jurisdiction, applicable to the Company or the Subscriber or to the relevant matter(s) contemplated under the Subscription Agreement, and includes, for the avoidance of doubt, the Companies Act and the Catalist Rules.

LETTER TO SHAREHOLDERS

the Subscription Agreement, and remaining true and accurate and not misleading at all times up until Completion.

If any of the conditions set forth above is not satisfied or waived on or before 24 June 2020 or otherwise waived, the Subscription Agreement shall lapse and cease to have further effect, the Proposed Subscription shall be aborted, and the Company and the Subscriber shall have no claim against the other except for any antecedent breach of the Subscription Agreement.

The Company has made an application through the Sponsor to the SGX-ST for the dealing in, listing of and quotation for the New Shares on the Catalist board of the SGX-ST. The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

3. RATIONALE FOR THE PROPOSED SUBSCRIPTION AND USE OF PROCEEDS

3.1 Rationale for the Proposed Subscription

The Company is of the view that the Proposed Subscription is in the interests of the Company for the following reasons:

- (a) the Company is a theme park developer and operator based in Penang, Malaysia and the Group is presently embarking on aggressive expansion initiatives in Malaysia and overseas with the upcoming opening of ESCAPE Challenge, the Group's first indoor recreational centre at Paradigm Mall in Petaling Jaya by 30 June 2020; and
- (b) the Group sees potential synergies between its business operation and plans and the burgeoning food and beverage business of the Subscriber, which may give the Company access to new markets, new customers as well as business opportunities.

3.2 Use of Net Proceeds

The estimated net proceeds to be raised from the Proposed Subscription, if and when completed, after deducting estimated expenses of approximately S\$30,000 to be incurred in connection with the Proposed Subscription would be S\$2,922,950 ("**Net Proceeds**").

The Net Proceeds are intended to be used for the following purposes:

Use of Net Proceeds	Amount (S\$)	As a percentage of total Net Proceeds (%)
1) Funding of potential growth and expansion or diversification	1,753,770	60
2) General working capital	1,169,180	40
Total	2,922,950	100

Pending the deployment of the Net Proceeds, the Net Proceeds may be deposited with banks and/or financial institutions and/or invested in short-term money market instruments and/or marketable securities, and/or for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem fit and in the interests of the Company.

LETTER TO SHAREHOLDERS

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed or utilised, and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in the Company's announcement dated 24 March 2020 in relation to the Proposed Subscription. The Company will also provide a status report on the use of such proceeds in the Company's interim and full year financial results announcement(s), and annual report(s). Where the Net Proceeds are used for general working capital purposes, the Company will announce a breakdown with specific details on the use of the Net Proceeds for working capital. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

4. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION

The *pro forma* financial effects of the Proposed Subscription on the Company and the Group are set forth below and were prepared based on the audited consolidated financial statements of the Group for FY2019, subject to the following assumptions:

- (a) the financial effect on the NTA per Share is computed based on the assumption that the Proposed Subscription was completed on 31 December 2019;
- (b) the financial effect on the EPS is computed based on the assumption that the Proposed Subscription was completed on 1 January 2019;
- (c) expenses to be incurred in respect of the Proposed Subscription amounted to approximately S\$30,000 (equivalent to approximately RM90,000); and
- (d) exchange rate of RM3.00 : S\$1.00 is used for the computations.

It should be noted that such *pro forma* financial effects are presented strictly for illustrative purposes only and does not purport to be indicative or a projection of the results and financial position of the Company and the Group after Completion.

4.1 Share Capital

The effect of the Proposed Subscription on the issued and paid-up share capital of the Company as at the Latest Practicable Date is as follows:

As at the Latest Practicable Date	Before the Proposed Subscription	After the Proposed Subscription
Issued and paid-up share capital (RM)	46,292,679	55,151,529
Total number of Shares	134,225,000	147,647,500

4.2 NTA per Share

The financial effects of the Proposed Subscription on the Group's NTA and NTA per Share as at 31 December 2019, assuming that the Proposed Subscription had been completed on 31 December 2019 are as follows:

LETTER TO SHAREHOLDERS

As at 31 December 2019	Before the Proposed Subscription	After the Proposed Subscription
NTA attributable to Shareholders (RM)	51,196,308	59,965,158
Total number of Shares	134,225,000	147,647,500
NTA per Share (RM cents)	38.14	40.61

4.3 EPS

The financial effects of the Proposed Subscription on the Group's EPS for FY2019, assuming that the Proposed Subscription had been completed on 1 January 2019 are as follows:

FY2019	Before the Proposed Subscription	After the Proposed Subscription
Profit attributable to owners of the parent (RM)	234,891	144,891
Weighted average number of Shares	134,225,000	147,647,500
Earnings per Share (RM cents)	0.17	0.10

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The details of the Directors' interests, Substantial Shareholders' interests and other Shareholders' interests in the Company (i) before the Proposed Subscription as at the Latest Practicable Date (based on information recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively); and (ii) after the Proposed Subscription are set out as follows:

Name	Number of Shares Before the Proposed Subscription			
	Direct Interest	%	Deemed Interest	%
Directors				
Sim Choo Kheng	91,183,730	67.93	-	-
Silviya Georgieva Georgieva	665,395	0.50	-	-
Tay Eng Kiat Jackson	-	-	-	-
Yong Oi Ling	-	-	-	-
Chung Yew Pong	32,000	0.02	-	-

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Name	Number of Shares Before the Proposed Subscription			
	Direct Interest	%	Deemed Interest	%
Substantial Shareholder(s)				
Tan Boon Seng ⁽¹⁾	1,000,000	0.75	12,422,500	9.25
Tropika Kiara Sdn Bhd	12,422,500	9.25	-	-
Other Shareholders	28,921,375	21.55	-	-
TOTAL	134,225,000	100.00		

Name	Number of Shares After the Proposed Subscription			
	Direct Interest	%	Deemed Interest	%
Directors				
Sim Choo Kheng	91,183,730	61.76	-	-
Silviya Georgieva Georgieva	665,395	0.45	-	-
Tay Eng Kiat Jackson	-	-	-	-
Yong Oi Ling	-	-	-	-
Chung Yew Pong	32,000	0.02	-	-
Substantial Shareholder(s)				
Tan Boon Seng ⁽¹⁾	1,000,000	0.68	25,845,000	17.50
Tropika Kiara Sdn Bhd	25,845,000	17.50	-	-
Other Shareholders	28,921,375	19.59	-	-
TOTAL	147,647,500	100.00		

Note:

- (1) The entire issued and paid-up share capital of Tropika Kiara Sdn. Bhd. ("**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 the protector of the SWY Trust and has the power to, *inter alia*, remove and appoint a new trustee. 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 for their interests (if any) arising by way of their shareholdings and/or directorships, as the case may be, in the Company, none of the Directors and their respective Associates, has any interest, direct or indirect, in the Proposed Subscription.

LETTER TO SHAREHOLDERS

Save for the Subscriber and Mr Tan who are currently Substantial Shareholders, and to the best of the Directors' knowledge, none of the Substantial Shareholders, as well as their respective Associates, has any interest, direct or indirect, in the Proposed Subscription.

6. DIRECTORS' OPINION AND RECOMMENDATION

6.1 Directors opinion

The Directors are of the opinion that as at the date of this Circular:

- (a) after taking into consideration the present bank facilities available to the Group, the Group's internal resources and operating cashflows, the working capital available to the Group is sufficient to meet its present requirements, and the Proposed Subscription is being undertaken for purposes set out in Section 3 of this Circular; and
- (b) after taking into consideration the present bank facilities available to the Group, the Group's internal resources and operating cashflows, and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

In light of the current COVID-19 outbreak, widespread transmission of the virus worldwide and the 14-day Movement Control Order for the period from 18 March 2020 to 31 March 2020 (extended to 14 April 2020 and to 28 April 2020, and further extended to 12 May 2020) to curb the spread of the COVID-19 infection in Malaysia, the Company is closely monitoring and working with its business associates and partners to assess and mitigate the financial impact of the unprecedented outbreak on the Group's business and financial performance, and will update Shareholders in due course if there are any changes to the aforesaid confirmation.

6.2 Directors' recommendation

None of the Directors is deemed to be interested for the purpose of making a recommendation to Shareholders in respect of the Proposed Subscription.

The Directors and the Audit Committee of the Company, having considered the terms and rationale for the Proposed Subscription, are of the view that the Proposed Subscription will be in the interest of the Company and recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Subscription as set out in the Notice of EGM.

7. ABSTENTION FROM VOTING

In accordance with the Rule 812(2) of the Catalist Rules, the Subscriber and Mr Tan, and their respective Associates, will abstain from voting on the ordinary resolution approving the Proposed Subscription at the EGM.

The Subscriber and Mr Tan, and their respective Associates, will also decline to accept appointment as proxy from any Shareholders to vote on the ordinary resolution approving the Proposed Subscription at the EGM unless the Shareholders concerned have given specific instructions as to the manner in which his/her votes are to be cast at the EGM.

LETTER TO SHAREHOLDERS

8. EXTRAORDINARY GENERAL MEETING

An EGM will be held by way of electronic means (via LIVE WEBCAST and/or AUDIO ONLY MEANS) on 11 May 2020 at 11.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company held on the same day at 11.00 a.m.) for the purpose of considering and, if thought fit, passing, with or without any modifications, the ordinary resolution relating to the Proposed Subscription as set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to vote on the 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 24 April 2020, which has been uploaded together with this Circular on SGXNet and the Company's corporate website at <https://www.simleisuregroup.com/announcements> on the same day.

A Depositor shall not be regarded as a member of the Company and his/her/its Proxy Form may be rejected by the Company unless his/her/its name appears on the Depository Register at least seventy-two (72) hours before the time fixed for the holding of the EGM, as certified by CDP.

10. 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 Proposed Subscription, 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.

11. 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 Subscription Agreement; and
- (b) the Constitution of the Company.

LETTER TO SHAREHOLDERS

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 24 April 2020 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 (via LIVE WEBCAST and/or AUDIO ONLY MEANS) on Monday, 11 May 2020 at 11:30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company held on the same day at 11:00 a.m.) for the purpose of considering and, if thought fit, passing with or without any modifications the following Resolution:-

ORDINARY RESOLUTION

That:-

THE PROPOSED ISSUE OF 13,422,500 NEW ORDINARY SHARES IN THE SHARE CAPITAL OF SIM LEISURE GROUP LTD. AT THE ISSUE PRICE OF S\$0.22 PER NEW SHARE (OR AN AGGREGATE ISSUE PRICE OF S\$2,952,950) TO TROPIKA KIARA SDN BHD.

- (i) approval be and is hereby given to the Company for the allotment and issuance of an aggregate of 13,422,500 new Shares (“**New Shares**”) at the issue price of S\$0.22 per New Share to Tropika Kiara Sdn Bhd on the terms and subject to the conditions of the Subscription Agreement;
- (ii) pursuant to Rule 803 of the Catalist Rules, approval be and is hereby given to the Company for the transfer of a controlling interest in the Company to Tropika Kiara Sdn Bhd arising from the allotment and issuance of the New Shares;
- (iii) pursuant to Rule 812 of the Catalist Rules, approval be and is hereby given to the Company for the allotment and issuance of the New Shares to Tropika Kiara Sdn Bhd, a substantial shareholder of the Company; and
- (iv) the Directors of the Company and each of them be hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to this Resolution.

BY ORDER OF THE BOARD
SIM LEISURE GROUP LTD.

SIM CHOO KHENG
Executive Director and CEO
24 April 2020

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 Monday, 11 May 2020 at 11:30 a.m. (the “**Meeting**”) are set out in the Company’s announcement dated 24 April 2020 (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://www.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 observe the proceedings of the Meeting through a “live” webcast (“**LIVE WEBCAST**”) via his/her/its mobile phones, tablets or computers or listen to these proceedings through a “live” audio feed (“**AUDIO ONLY MEANS**”) via telephone. In order to do so, a member of the Company who wishes to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must register by 11:30 a.m. on 8 May 2020 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting), at the URL: https://live.motionmediaworks.com/simleisure_reg_form. 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 10 May 2020.

A member of the Company who registers to watch 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 11:30 a.m. on 8 May 2020 (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 main@zicoholdings.com,

in either case, by 11:30 a.m. on 8 May 2020 (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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (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.

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 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;
- (iv) preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof); and
- (v) 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 Catalyst.

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://www.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 24 April 2020 (the "Announcement") which has been uploaded together with the Notice of EGM dated 24 April 2020 on SGXNet on the same day. The Announcement may also be accessed at the URL <https://www.simleisuregroup.com/announcements>. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of EGM dated 24 April 2020 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.

I/We,.....(Name).....(NRIC/PassportNo./
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 (via LIVE WEBCAST and/or AUDIO ONLY MEANS) on Monday, 11 May 2020 at 11:30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company held on the same day at 11:00 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" the 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 the proposed issue of 13,422,500 new ordinary shares in the share capital of the Company to Tropika Kiara Sdn Bhd			

Dated this _____ day of _____ 2020

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 main@zicoholdings.com,

in either case, by 11:30 a.m. on 8 May 2020 (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.
 - (i) 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.
 - (ii) 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.

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 24 April 2020.