

Sim Leisure Group Ltd.

(Company Registration Number: 201808096D)

(Incorporated in the Republic of Singapore)

INTERESTED PERSON TRANSACTIONS PURSUANT TO RULE 905(2) OF THE CATALIST RULES

1. Introduction

The board of directors (the “**Board**” or the “**Directors**”) of Sim Leisure Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce the following interested person transactions (“**IPTs**”) entered into by the Group with Sim Leisure Consultants Sdn. Bhd. (“**SLC**”), an interested person defined under Chapter 9 of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”).

Rule 905(2) of the Catalist Rules provides that if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the Group’s latest audited net tangible assets, the Company must (i) make an immediate announcement of the latest transaction; and (ii) all future transactions entered into with that same interested person during that financial year.

2. Details of the Interested Person

SLC, based in Malaysia, is principally engaged in the design and construction of theme parks.

Sim Choo Kheng (“**Mr Sim**”) (Executive Director and Chief Executive Officer of the Company) and Silviya Georgieva Georgieva (“**Ms Silviya**”) (Executive Director of the Company), who are spouses, are directors of SLC and hold 99.8% and 0.2% respectively of the issued and paid-up share capital of SLC.

Pursuant to Chapter 9 of the Catalist Rules, SLC, being an associate of Mr Sim and Ms Silviya, is deemed as an “interested person”. Accordingly, all transactions entered into between SLC and the Group would constitute “interested person transactions” under Chapter 9 of the Catalist Rules.

For the financial year ended 31 December 2020 (“**FY2020**”), the Group had entered into transactions with other interested persons. For the purposes of Rules 905 and 906 of the Catalist Rules, SLC as well as other interested persons who are members of the same group are treated as the same interested person (as defined under the Catalist Rules) (the “**IP Group**”) and such transactions entered into between the Group and the IP Group during the same financial year are aggregated in determining whether the designated financial thresholds under Rules 905 and 906 of the Catalist Rules have been triggered.

3. Details of and Rationale for the IPTs

As disclosed under the section entitled “Interested Person Transactions – Present and On-going Interested Person Transactions” of the offer document of the Company dated 22 February 2019 in connection with the Company’s listing on the Catalist board of the SGX-ST (“**Offer Document**”), pursuant to the terms of a letter of award dated 30 September 2017, the Group appointed SLC as the main building contractor of ESCAPE Gravityplay (a theme park owned by the Group) in 2017.

Construction works undertaken by SLC pursuant to the letter of award were completed in November 2019.

Subsequent to the aforementioned completion, the Group will, from time to time, undertake upgrading works to maintain the attractions at ESCAPE Gravityplay. As SLC was the main building contractor for the construction of ESCAPE Gravityplay, it was able to purchase construction materials in respect of the Group's upgrading works of ESCAPE Gravityplay at better prices and on better credit terms from third-party suppliers. Accordingly, it was in the commercial interests of the Group for SLC to purchase construction materials on behalf of the Group for the Group's upgrading works of ESCAPE Gravityplay. The onward purchase of construction materials by the Group from SLC constituted IPTs.

In FY2020, SLC purchased construction materials from third party suppliers in respect of the Group's upgrading works of ESCAPE Gravityplay, amounting to an aggregate value of RM1.87 million (equivalent to approximately S\$0.61 million¹) ("**Aggregate Value**"), which was subsequently billed to the Group, at costs with no mark-up.

The Aggregate Value represents 3.6% of the Group's latest audited net tangible assets as at 31 December 2019 ("**Group NTA**") of RM51.59 million, which exceeded the relevant threshold of 3.0% under Rule 905(2) of the Catalist Rules but does not exceed the relevant threshold of 5.0% under Rule 906(1)(b) of the Catalist Rules, whereby shareholders' approval must be obtained for any IPT of a value equal to, or more than 5% of the Group NTA.

4. Total Value of all IPTs with the IP Group for FY2020

Information on the IPTs entered into between the Group and the IP Group for FY2020 is set out below:-

Name of Interested Person	Nature of IPT	Aggregate value of the IPTs for FY2020 (excluding IPTs previously approved by shareholders or exempted under the Catalist Rules) (RM'000)	Aggregate value of the IPTs for FY2020 which were previously approved by shareholders or exempted under the Catalist Rules (RM'000)
SLC	Purchase of construction materials on behalf of the Group in respect of the Group's upgrading works of ESCAPE Gravityplay	632	-
SLC	Purchase of construction materials on behalf of the Group in respect of the Group's upgrading works of ESCAPE Gravityplay	898	-
SLC	Purchase of construction materials on behalf of the Group in respect of the Group's upgrading works of ESCAPE Gravityplay	344	-
Total		1,874	-

¹ Based on an exchange rate of S\$1 : RM3.04.

5. Total Value of all IPTs for the Group for FY2020

As at 31 December 2020, the aggregate value of all transactions (excluding transactions that are less than S\$100,000) entered into between the Group and all interested persons for FY2020 amounted to approximately RM3.75 million (equivalent to approximately S\$1.23 million²), representing 7.3% of the Group NTA of RM51.59 million.

6. Statement by the Audit Committee

The Audit Committee of the Company has reviewed the IPTs and is of the view that the IPTs were entered into on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

7. Interests of Directors and Substantial Shareholders

Save as disclosed above and other than through their respective shareholdings in the Company (if any), none of the Directors or substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the IPTs.

By Order of the Board
SIM LEISURE GROUP LTD.

Sim Choo Kheng
Executive Director and Chief Executive Officer
10 February 2021

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

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

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

² Based on an exchange rate of S\$1 : RM3.04.