

Sim Leisure Group Ltd.

(Company Registration Number: 201808096D)

(Incorporated in the Republic of Singapore)

INTERESTED PERSON TRANSACTION 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 in relation to the latest interested person transaction 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 (Executive Director and Chief Executive Officer of the Company) and Silviya Georgieva Georgieva (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 Sim Choo Kheng and Silviya Georgieva Georgieva, 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.

3. Details of the Interested Person Transaction (“IPT”)

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 in 2017 for an aggregate contract sum of RM10.62 million (including equipment costs). Subsequently, a variation order for the construction of ESCAPE Gravityplay (“**IPT Variation Order**”) amounting to approximately RM594,000 (equivalent to approximately S\$196,000) was entered into between the Group and SLC. The contract price for the IPT Variation Order was based on a bill of quantities report prepared by an independent quantity surveyor, which provided a reasonable market benchmark for the construction costs.

As at 31 July 2019, the aggregate value of all transactions (excluding transactions that are less than S\$100,000) entered into between the Group and SLC for the current financial year ending 31 December 2019 (“FY2019”) amounted to approximately RM5.55 million (equivalent to approximately S\$1.83 million). This represents 16.3% of the Group’s latest audited net tangible assets (“NTA”) as at 31 December 2018 of RM34.12 million, which exceeded the relevant threshold of 3.0% under Rule 905(2) of the Catalist Rules.

For the avoidance of doubt, as at 31 July 2019, the aggregate value of all transactions (excluding transactions that are less than S\$100,000 and transactions previously approved by shareholders of the Company, details of which were duly disclosed in the Offer Document) entered into between the Group and SLC for FY2019 amounted to approximately RM594,000 (equivalent to approximately S\$196,000), representing 1.7% of the Group’s latest audited NTA as at 31 December 2018 of RM34.12 million, which 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’s latest audited NTA.

Details of the transactions with SLC for FY2019 are as follows:-

Name of interested person	Nature of IPT	Aggregate value of the IPTs for FY2019 (excluding IPTs less than S\$100,000) (RM'000)
SLC	Progress billings for the construction of ESCAPE Gravityplay	4,956*
SLC	IPT Variation Order	594

* previously approved by shareholders of the Company

4. Rationale for the IPT

SLC, based in Malaysia, is principally engaged in the design and construction of theme parks. As SLC has been appointed by the Group as the main building contractor of ESCAPE Gravityplay and construction works are still ongoing, it is in the commercial interests of the Group to continue to engage with the same main building contractor for any variation order for the construction of ESCAPE Gravityplay. In addition, the Group has engaged an independent quantity surveyor to issue a bill of quantities report for the IPT Variation Order to ensure that the contract price for the IPT Variation Order is at a reasonable market price.

5. Total Value of the IPTs

As at 31 July 2019, 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 FY2019 amounted to approximately RM5.55 million (equivalent to approximately S\$1.83 million), representing 16.3% of the Group’s latest audited NTA of RM34.12 million.

6. Statement by the Audit Committee

The Audit Committee of the Company has reviewed the IPT Variation Order and is of the view that the IPT Variation Order was 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 IPT Variation Order.

By Order of the Board
SIM LEISURE GROUP LTD.

Sim Choo Kheng
Executive Director and Chief Executive Officer
19 August 2019

*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.