

Sim Leisure Group Ltd.

(Company Registration Number: 201808096D)

(Incorporated in the Republic of Singapore)

APPLICATION FOR WAIVER FROM COMPLIANCE WITH RULE 707(1) OF THE CATALIST RULES, AND EXTENSION OF TIME TO HOLD THE COMPANY'S ANNUAL GENERAL MEETING FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Sim Leisure Group Ltd (the “**Company**” and, together with its subsidiaries, the “**Group**”) wishes to announce that, on 14 April 2021, the Company made an application (through its sponsor) to the Singapore Exchange Regulation Securities Listing Trading Limited (the “**SGX-ST**”) for a waiver from compliance with Rule 707(1) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), and a one-month extension of time to hold the Company’s annual general meeting (“**AGM**”) for the financial year ended 31 December 2020 (“**FY2020**”), from the current deadline of 30 April 2021 (as required under Rule 707(1) of the Catalist Rules, i.e. within four months from 31 December 2020) to 31 May 2021 (the “**Extension Application**”).

2. REASONS FOR THE EXTENSION APPLICATION

The Company sought the Extension Application because more time is required to complete the audit of the Company and the Group for FY2020, due mainly to the following:

- (a) The Group completed its acquisition of Rakan Riang Sdn Bhd (“**RRSB**”) (Kidzania, Kuala Lumpur) on 7 December 2020 (“**Acquisition**”). More time is required for the Group to understand RRSB’s operating procedures, ensuring smooth transition between the previous and current management, as well as preparation of financial statements of RRSB for audit purposes. The process is further lengthened due to the Purchase Price Allocation (“**PPA**”) exercise to determine the fair value of net assets acquired and the bargain purchase of the Acquisition. The complexities from completing the PPA exercise coupled with the Movement Control Order (“**MCO**”) and the State of Emergency Declaration on 11 January 2021 by the Malaysian Government has impeded the completion progress, resulting in longer time needed to complete the audit for FY2020 than expected.
- (b)
 - (i) With the Acquisition, the Group shifted its headquarters (“**HQ**”) from Penang to Selangor in January 2021, in efforts to consolidate and streamline the administrative, human resource and finance functions of the Group, with that of RRSB that is based in Selangor.
 - (ii) The Group’s main business operations are located in Malaysia. With the outbreak of the COVID-19 pandemic, the State of Emergency Declaration on 11 January 2021 and the MCO, the Group has imposed a set of measures on its Malaysian-based employees to ensure their safety and well-being, in adherence to the strict Standard Operation Procedures (“**SOP**”) set by the Malaysian authorities, including working from home arrangements.

The abovementioned situations created administrative and communication challenges between the Group, its employees and the Company’s auditors. In particular, with the restriction of manpower as mentioned in part (b)(ii) above, and the physical distance between the location of the previous and current HQ, the Group faced difficulties in timely preparation of information to the Company’s auditors and completion of FY2020 audit.

3. APPLICATION TO THE ACCOUNTING AND CORPORATE REGULATORY AUTHORITY

The Company will concurrently be making an application to the Accounting and Corporate Regulatory Authority (“ACRA”) for an extension of time to:

- (i) comply with Section 175(1)(a) of the Companies Act, Chapter 50 of Singapore (“**Companies Act**”) for a listed company to hold its annual general meeting within four (4) months from the financial year end; and
- (ii) comply with Section 197(1)(a) of the Companies Act for a listed company to file its annual return within five (5) months from the financial year end,

(the “**ACRA Application**”).

4. OTHER INFORMATION

The Company will provide updates on the outcome of the Extension Application and the ACRA Application in due course.

BY ORDER OF THE BOARD
SIM LEISURE GROUP LTD.

Silviya Georgieva
Executive Director
14 April 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.