

SIM LEISURE GROUP LTD.

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

RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE REGULATION ON 19 MAY 2021

The board of directors (the “**Board**” or “**Directors**”) of Sim Leisure Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) sets out its response to the queries raised by the Singapore Exchange Regulation on 19 May 2021, in relation to the Company’s announcement dated 18 May 2021 on the postponement of extraordinary general meeting in relation to the proposed adoption of the interested person transactions general mandate (“**IPT General Mandate**”).

Query 1: Please provide more details on the information in the Audited FS which were not sufficiently addressed and updated in the Circular.

Company’s Response

The audited consolidated net tangible assets of the Group as at 31 December 2020 (“**Audited NTA**”) was not correctly reflected on page 21 of the circular to shareholders of the Company dated 16 May 2021 (“**Circular**”) in relation to the proposed adoption of the interested person transactions general mandate (“**Adoption of IPT General Mandate**”). The Audited NTA should have been RM63.37 million (based on the audited financial statements of the Company for the financial year ended 31 December 2020 (“**Audited FS**”)) instead of RM63.04 million (being the unaudited consolidated net tangible assets of the Group as at 31 December 2020, as announced by the Company on 1 March 2021). The difference is only RM0.33 million.

The Audited FS was only finalised and signed off by the auditors of the Company on 14 May 2021. Concurrently, the finance team of the Company (“**Finance Team**”) updated the financial information in the Circular and the letter from the independent financial adviser to the independent Directors in relation to the Adoption of IPT General Mandate (being Provenance Capital Pte. Ltd., the “**IFA**”). The Finance Team then proceeded to furnish the updated Circular to the Board and the Sponsor for review and/or approval.

Query 2: How did the Board and Sponsor clear the Circular for release and how was the above subsequently realized.

Company’s Response

The Sponsor had reviewed the draft Circular provided by the Company, in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) to ensure that adequate and proper disclosures are made in the Circular. On completion of internal due processes, including assessment by internal executive review committee and the review of compliance checklist in respect of a general mandate for interested person transactions, the Sponsor provided clearance on the Circular.

Subsequently, the Board granted its approval for the issuance of the Circular on the SGXNet.

Following the issuance of the Circular on the SGXNet on 17 May 2021, the IFA contacted the Sponsor and the Company, highlighting that the IFA had only provided to the management of the Company a draft IFA letter pending finalization of the Audited FS.

Upon notification, the Board and the Sponsor immediately sought clarification from the Finance Team, in particular, on the process in the finalisation of the Circular which was submitted to the Board and the

Sponsor for their approval. It then came to the knowledge of the Board and the Sponsor that the Finance Team inadvertently made an error and included the draft letter from the IFA in the Circular. As the information in the Circular (specifically the information imputed by the Management in the IFA letter) was not entirely correct, the Board proposed to withdraw the Circular and approved the postponement of the EGM, so that due process can be carried out to update the letter from the IFA (which is part of the Circular) in the interests of the Company and its independent shareholders.

By Order of the Board

Sim Choo Kheng

Executive Director and Chief Executive Officer
20 May 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 Catalyst.*

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 Goh Mei Xian, Associate Director, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.