

## ADDENDUM DATED 14 APRIL 2022

**THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**This Addendum (as defined herein) is issued by Sim Leisure Group Ltd. (the “Company”). If you are in any doubt in relation to this Addendum or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.**

*Unless otherwise stated, capitalised terms on this cover are defined in this Addendum under the Section entitled “DEFINITIONS”.*

The purpose of this Addendum is to provide Shareholders with the rationale for and information relating to, and to seek Shareholders’ approval for the Proposed Renewal of the IPT General Mandate to be tabled at the 2022 AGM. The Notice of AGM and Proxy Form are enclosed with the 2021 Annual Report, and are published on (i) the SGX-ST’s website at <https://www.sgx.com/securities/company-announcements>; and (ii) the Company’s website at <https://www.simleisuregroup.com/announcements>. **A printed copy of this Addendum, the Notice of AGM and Proxy Form will NOT be despatched to Shareholders.**

If you have sold or transferred all your Shares, you should immediately inform the purchaser or transferee, or the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Addendum, the Notice of AGM and Proxy Form, may be accessed via SGX-ST’s website at <https://www.sgx.com/securities/company-announcements> and the Company’s website at <https://www.simleisuregroup.com/announcements>.

This Addendum has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Addendum, including the correctness of any of the statements or opinions made, or reports contained in this Addendum.

The contact person for the Sponsor is Ms Jennifer Tan, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.



### **SIM LEISURE GROUP LTD.**

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

#### **ADDENDUM TO ANNUAL REPORT**

#### **IN RELATION TO**

#### **THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS GENERAL MANDATE**

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## DEFINITIONS

In this Addendum, the following definitions apply throughout unless otherwise stated:

<b>“2021 Annual Report”</b>	:	The annual report of the Company for FY2021
<b>“2021 EGM”</b>	:	The extraordinary general meeting of the Company held on 14 June 2021
<b>“2022 AGM”</b>	:	The annual general meeting of the Company to be held by way of electronic means on Friday, 29 April 2022 at 2.00 p.m., the notice of which is attached to the 2021 Annual Report.
<b>“Addendum”</b>	:	This addendum to the 2021 Annual Report dated 14 April 2022 issued by the Company to Shareholders in relation to the Proposed Renewal of the IPT General Mandate
<b>“AGM”</b>	:	The annual general meeting of the Company
<b>“Associate”</b>	:	<p>(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:</p> <ul style="list-style-type: none"> <li>(i) his immediate family;</li> <li>(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</li> <li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;</li> </ul> <p>(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</p>
<b>“Audit Committee”</b>	:	The audit committee of the Company as at the date of this Addendum or from time to time, as the case may be
<b>“Board”</b>	:	The board of Directors of the Company as at the date of this Addendum or from time to time as the case may be
<b>“Catalist Rules”</b>	:	SGX-ST Listing Manual Section B: Rules of Catalist, as the same may be amended, modified or supplemented from time to time

## DEFINITIONS

<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“CEO”</b>	:	Chief Executive Officer
<b>“Companies Act”</b>	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
<b>“Company”</b>	:	Sim Leisure Group Ltd.
<b>“Controlling Shareholder”</b>	:	A person who:  (a) holds directly or indirectly 15% or more of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or  (b) in fact exercises control over the Company
<b>“Directors”</b>	:	The directors of the Company as at the date of this Addendum or from time to time, as the case may be
<b>“entity at risk”</b>	:	Has the meaning ascribed to it in the Catalist Rules and as reproduced in Section 2.3 of this Addendum
<b>“FY”</b>	:	Financial year of the Company ended or ending 31 December, as the case may be
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“interested person”</b>	:	Has the meaning ascribed to it in the Catalist Rules and as reproduced in Section 2.3 of this Addendum
<b>“interested person transaction”</b>	:	Has the meaning ascribed to it in the Catalist Rules and as reproduced in Section 2.3 of this Addendum
<b>“IPT General Mandate”</b>	:	A general mandate given by Shareholders pursuant to Chapter 9 of the Catalist Rules to authorise the Company and its subsidiaries which are considered to be “entities at risk” within the meaning of Rule 904(2) of the Catalist Rules, in their ordinary course of businesses, to enter into categories of transactions with specified classes of the Company’s interested persons, provided that such transactions are entered into on an arm’s length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders and, in respect of the subject matter of this Addendum, as further described in Section 2.5 of this Addendum
<b>“Latest Practicable Date”</b>	:	1 April 2022, being the latest practicable date prior to the issue of this Addendum

## DEFINITIONS

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<b>“Mandated Interested Person”</b>	:	SLC and as further described in Section 2.5.2 of this Addendum
<b>“Mandated Transactions”</b>	:	The categories of transactions set out in Section 2.5.3 of this Addendum with the Mandated Interested Person
<b>“Notice of AGM”</b>	:	The notice of the 2022 AGM dated 14 April 2022, as enclosed with the 2021 Annual Report and as published on (i) the SGX-ST’s website at <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a> ; and (ii) the Company’s website at <a href="https://www.simleisuregroup.com/announcements">https://www.simleisuregroup.com/announcements</a>
<b>“NTA”</b>	:	Net tangible assets
<b>“Proposed Renewal of the IPT General Mandate”</b>	:	Has the meaning ascribed to it in Section 1.1 of this Addendum
<b>“Proxy Form”</b>	:	The proxy form in respect of the 2022 AGM, as enclosed with the 2021 Annual Report and as published on (i) the SGX-ST’s website at <a href="https://www.sgx.com/securities/company-announcements">https://www.sgx.com/securities/company-announcements</a> ; and (ii) the Company’s website at <a href="https://www.simleisuregroup.com/announcements">https://www.simleisuregroup.com/announcements</a>
<b>“RM”</b>	:	Malaysia Ringgit, the lawful currency of Malaysia
<b>“S\$”</b>	:	Singapore Dollar, the lawful currency of Singapore
<b>“SFA”</b>	:	Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	Registered holders of Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> 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
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“SLC”</b>	:	Sim Leisure Consultants Sdn. Bhd., being an Associate of Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva
<b>“Sponsor”</b>	:	PrimePartners Corporate Finance Pte. Ltd.
<b>“Substantial Shareholder”</b>	:	A Shareholder who has an interest or interests in one or more voting shares in the Company and the total votes attached to that share, or those shares, is not less than 5.0% of the total votes attached to all the voting shares in the Company

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## DEFINITIONS

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"%"	:	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 Addendum 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, the Companies Act, the Catalist Rules or any statutory modification thereof and not otherwise defined in this Addendum shall have the same meaning assigned to it under the SFA, the Companies Act, the Catalist Rules or such statutory modification thereof, as the case may be, unless otherwise provided.

The headings in this Addendum are inserted for convenience only and shall be ignored in construing this Addendum.

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

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

For the purposes of this Addendum, Chancery Law Corporation has been appointed as the legal counsel to the Company on Singapore law in relation to the drafting of this Addendum.

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## LETTER TO SHAREHOLDERS

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### **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
Yong Oi Ling	Executive Director
Tay Eng Kiat Jackson	Chairman and Independent Director
Chung Yew Pong	Independent Director
Tan Hui Tsu	Independent Director
Tan Boon Seng	Non-Independent Non-Executive Director

#### **Registered Office:**

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

Date: 14 April 2022

**To: The Shareholders of Sim Leisure Group Ltd.**

Dear Sir / Madam

#### **THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE**

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### **1. INTRODUCTION**

- 1.1 Pursuant to Chapter 9 of the Catalist Rules, the Directors intend to seek Shareholders' approval at the 2022 AGM for the proposed renewal of the IPT General Mandate (the "**Proposed Renewal of IPT General Mandate**").
- 1.2 The purpose of this Addendum is to provide Shareholders with the relevant information, and explain the rationale, for the Proposed Renewal of IPT General Mandate.
- 1.3 Shareholders should read this Addendum carefully and consider the recommendation of the Directors in Section 4 of this Addendum.

### **2. THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE**

#### **2.1 Background**

The IPT General Mandate was adopted by Shareholders at the 2021 EGM. The IPT General Mandate will expire on 29 April 2022, being the date of the 2022 AGM. Accordingly, pursuant to Rule 920 of the Catalist Rules, the Company will seek Shareholders' approval for the Proposed Renewal of the IPT General Mandate.

The Proposed Renewal of the IPT General Mandate will enable the Company, its subsidiaries and associated companies which are considered to be entities at risk within the meaning of Chapter 9 of the Catalist Rules, in their ordinary course of business, to enter into the Mandated Transactions with the Mandated Interested Person, provided that all such transactions are entered into on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

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The nature of the Mandated Transactions and the class of Mandated Interested Person in respect of which the IPT General Mandate is sought to be renewed remain unchanged.

The renewed IPT General Mandate will take effect from the passing of the ordinary resolution relating thereto at the 2022 AGM and will (unless revoked or varied by the Company in general meeting) continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is earlier. Approval from Shareholders will be sought for the renewal of the IPT General Mandate at the next and each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Mandated Transactions.

### 2.2 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (each known as an “entity at risk”) enters into or proposes to enter into with a party who is an interested person of the listed company. The objective of Chapter 9 (as stated in Rule 901 of the Catalist Rules) is to guard against the risk that such interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders. The main terms used in Chapter 9 of the Catalist Rules such as “entity at risk” and “interested person” as well as other terms used are defined in the Section entitled “Definitions” of this Addendum and in Section 2.3 of this Addendum.

### 2.3 Main terms used in Chapter 9 of the Catalist Rules

For the purposes of Chapter 9 of the Catalist Rules:

- (a) an “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules;
- (b) an “entity at risk” means:
  - (i) the issuer;
  - (ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
  - (iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;
- (c) an “interested person” means (i) a director, chief executive officer, or controlling shareholder of the issuer; or (ii) an Associate of any such director, chief executive officer, or controlling shareholder;
- (d) an “interested person transaction” means a transaction between an “entity at risk” and an “interested person”; and



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- (e) a “transaction” includes (i) the provision or receipt of financial assistance; (ii) the acquisition, disposal or leasing of assets; (iii) the provision or receipt of goods or services; (iv) the issuance or subscription of securities; (v) the granting of or being granted options; and (vi) the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

### 2.4 General requirements applicable to interested person transactions

Under Chapter 9 of the Catalist Rules, an immediate announcement and/or shareholders’ approval would be required in respect of transactions with interested persons if the value of the transaction is equal to or exceeds certain financial thresholds.

In particular, under Rule 905 of the Catalist Rules, an immediate announcement is required where:

- (a) the value of an interested person transaction is equal to, or more than, 3% of the listed group’s latest audited NTA; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, amounts to 3% or more of the listed group’s latest audited NTA.

Under Rule 906 of the Catalist Rules, in addition to an immediate announcement, shareholders’ approval is required for an interested person transaction of a value equal to, or more than:

- (i) 5% of the listed group’s latest audited NTA; or
- (ii) 5% of the listed group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation,

(the “**5% Threshold**”).

The above requirements for immediate announcement and/or for shareholders’ approval do not apply to any transaction below S\$100,000 and certain transactions listed under Rules 915 and 916 of the Catalist Rules. Under Rules 905(5) and 906(4) of the Catalist Rules, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one (1) transaction in accordance with Rule 902 of the Catalist Rules.

Pursuant to Rule 909 of the Catalist Rules, the value of a transaction is the amount at risk to the listed company. This is illustrated by the following examples:

- (a) in the case of a partly-owned subsidiary or associated company, the value of the transaction is the listed company’s effective interest in that transaction;
- (b) in the case of a joint venture, the value of the transaction includes the equity participation, shareholders’ loans and guarantees given by the entity at risk;

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- (c) in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. In the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan; and
- (d) in the case that the market value or book value of the asset to be disposed of is higher than the consideration from an interested person, the value of the transaction is the higher of the market value or book value of the asset.

Based on the audited consolidated financial statements of the Group for FY2021, the consolidated NTA of the Group was RM65.38 million (or approximately S\$21.16 million, based on an illustrative currency exchange rate of S\$1 : RM3.09 as at 31 December 2021). Accordingly, in relation to the Group, for the purposes of Chapter 9 of the Catalist Rules, in the current financial year and until the audited consolidated financial statements of the Group for FY2022 are published, 5.0% of the Group's latest audited consolidated NTA would be RM3.27 million (or approximately S\$1.06 million, based on an illustrative currency exchange rate of S\$1 : RM3.09 as at 31 December 2021).

Rule 920 of the Catalist Rules allows a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons where such transactions are of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, and the provision of services, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate granted by Shareholders is subject to annual renewal.

The Company estimates that from the date of the 2022 AGM to the date of the next AGM, which will have to be held no later than 30 April 2023, the value of interested person transactions with SLC may cross the 5% Threshold, and accordingly, the Company is seeking the Proposed Renewal of IPT General Mandate to ensure that it remains in compliance with the requirements of Chapter 9 of the Catalist Rules.

## **2.5 Renewal of the IPT General Mandate**

### **2.5.1 Rationale for and benefits of the Proposed Renewal of the IPT General Mandate**

The Group envisages that certain interested person transactions will occur with some degree of frequency and could arise at any time and from time to time, as they are recurring transactions and are part of the day-to-day operations of the Group.

In lieu of seeking the specific approval of Shareholders for such transactions which are in the Group's ordinary course of business whenever the need arises, the Proposed Renewal of the IPT General Mandate will enable the Group to enter in the ordinary course of business into any of the Mandated Transactions with the Mandated Interested Person, provided that such Mandated Transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such Mandated Transactions.

The renewal of the IPT General Mandate will:

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- (a) facilitate entry into the Mandated Transactions with the Mandated Interested Person in the ordinary course of the Group's business;
- (b) allow the Group to benefit from the Mandated Interested Person's specialisation and experience of over 20 years in the construction industry with a focus on theme parks. By having access to such design and construction services, the Group will derive operational efficiency and savings, and obtain the assurance that the Company's projects will be completed in a timely manner;
- (c) eliminate the need for the Company to convene separate general meetings on each occasion, pursuant to the thresholds imposed under Chapter 9 of the Catalist Rules as described in Section 2.4 above, to seek Shareholders' approval as and when such transactions with the Mandated Interested Person arise, thereby:
  - (i) reducing substantially the time, inconvenience, costs and administrative expense associated with convening such meetings;
  - (ii) allowing manpower resources and time to be channelled towards attaining corporate objectives rather than to the convening of repeated Shareholders' meetings;
  - (iii) avoid delay in the execution of transactions which facilitate the Group's business; and
  - (iv) enabling the Group to maintain its overall competitiveness, and not be placed at a disadvantage as compared to other parties that do not require shareholders' approval to be obtained for entering into such transactions.

### 2.5.2 Mandated Interested Person

For the purpose of the IPT General Mandate, the Mandated Interested Person is SLC.

The IPT General Mandate will apply to the Mandated Transactions that are carried out between any entity at risk and the Mandated Interested Person, SLC, which is an Associate (as described below) of Mr. Sim Choo Kheng (Executive Director and CEO of the Company) and his spouse, Ms. Silviya Georgieva Georgieva (Executive Director of the Company). As at the Latest Practicable Date, Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva respectively hold 99.8% and 0.2% of the issued and paid-up capital of SLC. Both of them are also the only two (2) directors of SLC but are not involved in the day-to-day operations of SLC. SLC does not hold any shares in the Company. SLC is an "Associate" of Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva, and accordingly an "interested person" as set out in Section 2.3 of this Addendum.

SLC is a private company incorporated and based in Malaysia, and is a registered contractor with the Construction Industry Development Board of Malaysia holding a G7 licence. SLC is run and operated by its own management team comprising design managers, project managers, engineers and finance and administration managers, which is separate and independent of the Group. SLC's principal activity is in the business of design and construction of theme attractions in theme parks. Although SLC currently does not have any third-party customers (other than

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the Group), SLC has the operational capabilities to also serve third party customers. Some of the past projects which SLC carried out with third party customers (other than the Group) include Sunway Lagoon Theme Park in Malaysia and Universal Studios Singapore.

As it is anticipated that the Group may transact with SLC in the manner set out in Section 2.5.3 below in the ordinary course of its business, the Company proposes the renewal of the IPT General Mandate.

### 2.5.3 Categories of mandated interested person transactions

The categories of the interested person transactions to which the IPT General Mandate is applicable are as follows:

- (a) provision by SLC of services in the design and construction of the theme parks, and buildings and fixtures related to or located in the theme parks managed and operated by the Group from time to time;
- (b) provision by SLC of upgrading, retrofitting, maintenance, landscaping and renovation services for the theme parks managed and operated by the Group from time to time; and
- (c) purchase by SLC on behalf of the Group of services and materials from third party vendors for the purposes of the Group's operations and projects,

(the "**Mandated Transactions**").

Taking into consideration the nature of the above-mentioned transactions and Rule 905(5) of the Catalist Rules, the proposed IPT General Mandate will cover all Mandated Transactions even if they fall below S\$100,000.

All transactions that do not fall within the ambit of the proposed IPT General Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

### 2.5.4 Benefits to the Group

In view of the time-sensitive and recurrent nature of commercial transactions, the Company is proposing the renewal of the IPT General Mandate to enable the Group to enter in the ordinary course of business into any of the Mandated Transactions with the Mandated Interested Person, provided that such Mandated Transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such Mandated Transactions.

The Proposed Renewal of the IPT General Mandate, if approved by Shareholders at the AGM, will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for each separate Mandated Transaction to be entered into between the Group and the Mandated Interested Person of a revenue nature or those necessary for its business or operations. This will substantially reduce the expenses and time associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives. It

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will also enable the Group to capitalise on commercial and business opportunities that may avail themselves promptly, in order to ensure competitiveness, and not be placed at a disadvantage to other competitors.

The Proposed Renewal of the IPT General Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Mandated Interested Person, provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

### **2.6 Guidelines and review procedures for the Mandated Transactions**

#### **2.6.1 Introduction**

The Group has put in place internal control systems to ensure that transactions with the interested persons (including the Mandated Interested Person) are made on normal commercial terms, and are consistent with the Group's usual business practices and policies. The Audit Committee will also review and approve all interested person transactions (including the Mandated Transactions) on a quarterly basis to ensure that they are on normal commercial terms and on arm's length basis and are not prejudicial to the interests of the Company and its minority Shareholders in any way.

The Board will also ensure that all disclosure, approval and other requirements on the Mandated Transactions, including those required by prevailing legislation, the Catalist Rules and accounting standards, are complied with.

The guidelines and review procedures for the Mandated Transactions set out in Section 2.6 of this Addendum remain the same as those disclosed in the circular to Shareholders dated 28 May 2021 in relation to the proposed adoption of the IPT General Mandate.

#### **2.6.2 Guidelines and review procedures**

To ensure that all Mandated Transactions with the Mandated Interested Person are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the following procedures will be implemented by the Group:

- (a) when engaging the design and/or construction services of the Mandated Interested Person, obtaining quotations from independent third party vendors may be difficult since the theming design and construction industry is a specialised trade and there may not be many contractors who are able to provide equivalent services of the same desired quality. Hence, the Group will engage an independent quantity surveyor to issue a bill of quantities report which will provide a reasonable market benchmark for the costs involved. In this case, the amount payable by Group to the Mandated Interested Person for such services shall be the sum of the amount reflected in the final bill of quantities report prepared by the independent quantity surveyor plus a mark-up of 15.0%. The Company is of the view that a mark-up of 15.0% on such amount is reasonable as it is determined with reference to the past margins charged by SLC to the Group and other third party customers of SLC;
- (b) when engaging any upgrading, retrofitting, maintenance, landscaping and renovation services (save for the services set out under Section 2.6.2(c) below) from the Mandated

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Interested Person, the amount payable by the Group shall be on a cost-plus basis based on the actual cost incurred by the Mandated Interested Person in providing such services and related supply of materials, plus a mark-up of 15.0%. Such services are expected to be lower in value compared to, and form part of the design and / or construction services provided by SLC to the Group. The Company is of the view that a mark-up of 15.0% on such amount is reasonable as it is determined with reference to the past margins charged by SLC to the Group and other third party customers of SLC, taking into consideration the resultant operational efficiency and assurance the Group will obtain from SLC that the Company's projects will be completed in a timely manner; and

- (c) where the Mandated Interested Person purchases materials or engages services from third party vendors on behalf of the Group for the purpose of the Group's operations and projects, the amount payable by the Group shall be on a cost-plus basis with respect to the costs incurred by the Mandated Interested Person in purchasing the materials or engaging the services, plus a mark-up of 10.0%. The Company is of the view that such transactions will enable the Group to benefit from the close relationships and favourable credit terms established between SLC and such third party vendors. The Company is of the view that a mark-up of 10.0% is reasonable in this case to cover the administrative resources and financing costs incurred by SLC when procuring such materials and services on behalf of the Group.

### 2.6.3 Approval thresholds

In addition to the guidelines and review procedures set out in Section 2.6.2 above, the following approval thresholds had been implemented to ensure that the Mandated Transactions are undertaken on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders:

(a) *Category 1 threshold*

The Category 1 threshold shall apply where the value of the Mandated Transaction entered into with the Mandated Interested Person is equal to or in excess of 3.0% of the latest audited NTA of the Group. Such Mandated Transaction must be reviewed and approved by the majority of the Audit Committee prior to entry of the same; and

(b) *Category 2 threshold*

The Category 2 threshold shall apply where the value of the Mandated Transaction entered into with the Mandated Interested Person is below 3.0% of the latest audited NTA of the Group. Such Mandated Transactions need not be approved by the Audit Committee prior to entry of the same but must be approved by (i) a non-conflicted Executive Director who does not have any interest, whether direct or deemed, in the Mandated Transactions, or in the absence of such non-conflicted Executive Director, a member of the Audit Committee; and (ii) an executive officer as designated by the Audit Committee from time to time, or otherwise by another member of the Audit Committee, who shall not have any interest in respect of the particular transaction prior to entry.

Where a Category 2 Mandated Transaction is being contemplated ("**Proposed Cat 2 Transaction**") is of a similar nature or category as previously approved Category 2

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Mandated Transactions during the same financial year, the value of such Proposed Cat 2 Transaction will be aggregated with previously approved Category 2 Mandated Transactions of similar nature or category during the same financial year. Where the value of such aggregated transactions amounts to or exceeds 3.0% of the Group's latest audited NTA, the Proposed Cat 2 Transaction and subsequent Category 2 Mandated Transactions of a similar nature or category during the same financial year will be subject to the review and approval by the majority of the Audit Committee prior to entry, as per the approval under Category 1 Threshold as described above.

The threshold limits set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, frequency and size of the Mandated Transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at with a view to strike a balance between (i) maximising the operational efficiency for the day-to-day business operations of the Group; and (ii) maintaining adequate internal controls and governance for the Mandated Transactions. The approval thresholds act as an additional safeguard to supplement the review procedures which had been implemented by the Company for the Mandated Transactions.

### 2.6.4 Register of Interested Person Transactions

The Company shall prepare all the relevant information to assist the Audit Committee in its review and will continue to keep a register to record all interested person transactions, including the Mandated Transactions as well as all interested person transactions below S\$100,000 in value (the "**IPT Register**"). The IPT Register records all information pertinent to the interested person transactions, including the identity of the interested persons involved in the interested person transactions, the nature and scope of the interested person transactions, the basis and amount.

The IPT Register is prepared, maintained and monitored by management personnel such as the Finance Manager (who shall not be interested in any of the interested person transactions) and who are duly delegated to do so by the Audit Committee.

### 2.6.5 Review by internal auditors

Where appropriate, the Group will incorporate a review of all interested person transactions entered into, at least on an annual basis, in its internal audit plan. The internal auditors will review the interested person transactions to check that, amongst other things, the relevant approvals have been obtained and the guidelines and review procedures for the interested person transactions have been adhered to. The internal auditors will forward their internal audit reports to the Audit Committee.

These internal audit reports will be reviewed by the Audit Committee on an annual basis to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with.

### 2.6.6 Periodic reviews by Audit Committee

The Audit Committee shall on a quarterly basis or for such other periods as determined by the Audit Committee (but in any event not less frequent than once every quarter), review the IPT Register, and the basis and documents of all approved interested person transactions, to

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## DEFINITIONS

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ensure that the interested person transactions have been conducted in accordance with the established procedures for review, and that the procedures for review, approvals as well as monitoring and administration are adequate, sufficient and adhered to, in ensuring that interested person transactions are undertaken on normal commercial terms, on an arm's length basis and will not be prejudicial to the interests of the Company and its minority Shareholders.

Pursuant to Rule 920(1)(b)(vii) of the Catalist Rules, if during its periodic review, the Audit Committee is of the opinion that the guidelines and procedures and approval thresholds as stated above are inappropriate or not sufficient in the event of changes to the nature of, or manner in which, the business activities of the Group and / or SLC are conducted, the Company will seek a fresh mandate from Shareholders, where applicable, based on new guidelines and procedures to ensure that the Mandated Transactions will be carried out on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. During the period prior to obtaining a fresh mandate from Shareholders, all transactions with the Mandated Interested Person will be subject to prior review and approval by the Audit Committee.

### 2.6.7 Interested members of the Audit Committee to abstain

In the event that any member of the Audit Committee is interested (directly or indirectly) in any transaction, he will abstain from participating in the review and approval process in relation to that particular transaction to ensure that the transaction will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

## 2.7 Disclosure

In accordance with Rule 920(1)(a)(ii) of the Catalist Rules, the Company shall announce the aggregate value of the Mandated Transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate for each financial period which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report.

In accordance with Rule 920(1)(a)(i) of the Catalist Rules, disclosure shall also be made in the annual report of the Company of the aggregate value of the Mandated Transactions conducted with the Mandated Interested Person pursuant to the IPT General Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT General Mandate is in force.

The name of the interested person and the corresponding aggregate value of the interested person transactions shall be presented in the following format (or in such form as the Catalist Rules may require from time to time):



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Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
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### 2.8 Validity period of the IPT General Mandate

The Proposed Renewal of the IPT General Mandate is subject to Shareholders' approval at the AGM, and if approved, will take effect from the date of the passing of the ordinary resolution relating thereto at the AGM, and will (unless revoked or varied by the Company in general meeting) continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is earlier. The renewal of the IPT General Mandate will be sought at each subsequent AGM (or an extraordinary general meeting held on the same day as the AGM) subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Mandated Interested Person.

### 2.9 Audit Committee Statement

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices of the Mandated Transactions as set out in Section 2.6 of this Addendum have not changed since the IPT General Mandate was adopted by Shareholders at the 2021 EGM; and
- (b) the methods or procedures for determining the transaction prices of the Mandated Transactions as described in Section 2.6 of this Addendum are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures are inadequate or inappropriate to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment to Chapter 9 of the Catalist Rules, the Audit Committee will, in consultation with the Board, take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate based on the new guidelines and procedures for interested person transactions.

## 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The details of the Directors' interests and Substantial Shareholders' interests in the Company as at the Latest Practicable Date are set out as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Directors						

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Sim Choo Kheng	91,434,730	55.29	-	-	91,434,730	55.29
Silviya Georgieva Georgieva	665,395	0.40	-	-	665,395	0.40
Tay Eng Kiat Jackson	-	-	-	-	-	-
Yong Oi Ling	-	-	-	-	-	-
Chung Yew Pong	32,000	0.02	-	-	32,000	0.02
Tan Hui Tsu	-	-	-	-	-	-
Tan Boon Seng <sup>(2)</sup>	2,000,000	1.21	42,562,700	25.74	44,562,700	26.95
<b>Substantial Shareholder(s) (other than Directors)</b>						
Desamal Capital Sdn Bhd <sup>(2)</sup>	42,562,700	25.74	-	-	42,562,700	25.74

### Notes:

- (1) Based on 165,365,200 Shares in issue as at the Latest Practicable Date.
- (2) The entire issued and paid-up share capital of Desamal Capital Sdn Bhd (formerly known as Tropika Kiara Sdn. Bhd.) ("**DCSB**") 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 also in charge of operating the assets within the SWY Trust. Mr. Tan Boon Seng is also a Director of DCSB. 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 DCSB.

Save as disclosed in this Addendum and 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 or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Renewal of the IPT General Mandate.

#### 4. DIRECTORS' RECOMMENDATION

As mentioned in Section 2.5.2 of this Addendum above, the Mandated Interested Person, SLC, is an Associate of Mr. Sim Choo Kheng (Executive Director and CEO of the Company) and his spouse, Ms. Silviya Georgieva Georgieva (Executive Director of the Company). Accordingly, Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva are not considered independent for purposes of making recommendations on the Proposed Renewal of the IPT General Mandate.

The Directors (save for Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva) ("**Recommending Directors**"), having considered, *inter alia*, the rationale for and benefits of the Proposed Renewal of the IPT General Mandate and the guidelines and review procedures for the Mandated Transactions, are of the view that the Proposed Renewal of the IPT General Mandate will be in the interests of the Company and recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Renewal of the IPT General Mandate as set out in the Notice of AGM.

**The Recommending Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any Shareholder. As different Shareholders would have**

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**different investment objectives, the Recommending Directors recommend that any individual Shareholder who may require specific advice in relation to the IPT General Mandate should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.**

### 5. ABSTENTION FROM VOTING

Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva, both of whom are Executive Directors and deemed Controlling Shareholders of the Company, are also directors and deemed controlling shareholders of the Mandated Interested Person, SLC. Mr. Sim Choo Kheng, Ms. Silviya Georgieva Georgieva and their respective Associates will therefore abstain from voting on the ordinary resolution relating to the Proposed Renewal of the IPT General Mandate at the AGM.

Mr. Sim Choo Kheng and Ms. Silviya Georgieva Georgieva have also abstained from deliberating and making any recommendation in respect of the ordinary resolution relating to the Proposed Renewal of the IPT General Mandate.

Mr. Sim Choo Kheng, Ms. Silviya Georgieva Georgieva, and their respective Associates will decline to accept appointments as proxy from any Shareholders to vote on the ordinary resolution relating to the Proposed Renewal of the IPT General Mandate. The Company will disregard any votes cast by Mr. Sim Choo Kheng, Ms. Silviya Georgieva Georgieva, and their respective Associates on the ordinary resolution relating to the Proposed Renewal of the IPT General Mandate at the AGM.

In addition, SLC has undertaken to ensure that its Associates will abstain from voting in respect of the ordinary resolution relating to the Proposed Renewal of the IPT General Mandate at the AGM. SLC shall also decline, and has undertaken to ensure that its Associates shall also decline, to accept appointment as proxies to vote on the ordinary resolution relating to the Proposed Renewal of the IPT General Mandate at the AGM.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the Proposed Renewal of the IPT General Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading.

Where information in this Addendum 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 Addendum in its proper form and context.

### 7. CONSENT

The Company's legal counsel on Singapore law in relation to the drafting of this Addendum, Chancery Law Corporation, has given and has not before the date of this Addendum withdrawn its written consent to the issue of this Addendum with the inclusion of its name and all

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references thereto, in the form and context in which they appear in this Addendum, and to act in such capacity in relation to this Addendum.

### 8. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, 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 from the date of this Addendum up to and including the date of the AGM:

- (a) the 2021 Annual Report;
- (b) the Constitution of the Company; and
- (c) the consent letter stated in Section 7 of this Addendum.

The 2021 Annual Report may also be accessed on the SGX-ST's website at <https://www.sgx.com/securities/company-announcements> and the Company's website at <https://www.simleisuregroup.com/announcements>.

Yours faithfully

For and on behalf of the Board of Directors of  
**SIM LEISURE GROUP LTD.**

Tay Eng Kiat Jackson  
Chairman and Independent Director  
14 April 2022