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SIMPLICITY HOLDING LIMITED

倩碧控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8367)

BUSINESS UPDATE IN RELATION TO PROPOSED BUSINESS COOPERATION

On 31 May 2021, the Company entered into the MOU with 開封正修福來醫藥科技有限公司 (Kaifeng Zhengxiufulai Pharmaceutical Technology Co. Ltd.*) (the Cooperative Partner) in relation to the Proposed Cooperation.

The Cooperative Partner is principally engaged in the business of selling pharmaceutical products through automatic drug vending machines in the PRC, namely the “二十四小時未來藥房藥機項目” (24 Hour Future Pharmacies and Drug Machines Project*). The automatic drug vending machines are self-service convenient medicine cabinets that operate 24-hour a day. Through installing and operating such automatic drug vending machines, and providing the relevant ancillary services and facilities at various places in the PRC, the Cooperative Partner plans to achieve a one-stop integrated medical care and healthcare ecology, share the burden in meeting the increasing medical care demands with the domestic hospitals and pharmacies, and improve the national medical care environment. To the best of the Directors’ information and belief having made all reasonable enquiries, the Cooperative Partner and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Pursuant to the MOU, the Company and the Cooperative Partner shall cooperate in promoting the business of selling pharmaceutical products through automatic drug vending machines in the PRC, namely the “二十四小時未來藥房藥機項目” (24 Hour Future Pharmacies and Drug Machines Project*), and plan to raise RMB300 million within 3 years to develop the automatic drug vending machines project. The Company and the Cooperative Partner will further negotiate to ascertain the details of the Proposed Cooperation and enter into a formal agreement.

Save for the (i) the obligation of the Cooperative Partner to comply with the relevant applicable laws and regulations; and (ii) the confidentiality obligation of the Cooperative Partner regarding the matters in relation to the MOU, the MOU does not create any legally binding obligations on the parties in relation to the Proposed Cooperation.

As the MOU is not legally binding with regard to the Proposed Cooperation (save for the aforementioned obligations of the Cooperative Partner), the Proposed Cooperation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the expressions below have the following meanings:

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|------------------------|---|
| “Company” | Simplicity Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM |
| “connected persons” | has the meaning ascribed to it under the GEM Listing Rules |
| “Cooperative Partner” | 開封正修福來醫藥科技有限公司 (Kaifeng Zhengxiufulai Pharmaceutical Technology Co. Ltd.*), a company established in the PRC with limited liability |
| “Director(s)” | the director(s) of the Company |
| “GEM” | GEM operated by the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “MOU” | the memorandum of understanding dated 31 May 2021 entered into between the Company and the Cooperative Partner |
| “PRC” | the People’s Republic of China |
| “Proposed Cooperation” | the proposed cooperation between the Company and the Cooperative Partner pursuant to the MOU |
| “Shareholder(s)” | the holder(s) of the Shares |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |

By order of the Board
Simplicity Holding Limited
Wong Suet Hing
Chairman and Executive Director

Hong Kong, 31 May 2021

* For identification purpose only

As at the date of this announcement, the executive Directors are Ms. Wong Suet Hing (Chairman), Ms. Wong Sau Ting Peony (Chief Executive Officer) and Mr. Wong Chi Chiu Henry; and the independent non-executive Directors are Ms. Ng Yau Kuen Carmen, Mrs. Cheung Lau Lai Yin Becky and Mr. Yu Ronald Patrick Lup Man.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its publication and posting and will be published and remains on the website of the Company at <http://www.simplicityholding.com>.