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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)**

**DISCLOSEABLE TRANSACTION:  
DISPOSAL OF THE PROPERTY**

**DISPOSAL**

The Board is pleased to announce that on 25 February 2021 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into Preliminary Sale & Purchase Agreement with the Purchaser pursuant to which the Vendor intends to sell and the Purchaser intends to acquire the Property at the consideration of HK\$22,000,000.00.

**LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

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## **PRELIMINARY SALE & PURCHASE AGREEMENT**

Date: 25 February 2021

Vendor: Grace Wealth Holdings Limited, an indirect wholly-owned subsidiary of the Company

Purchaser: Kam Kee Consultancy Limited

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Purchaser (including its ultimate beneficial owner) is an independent third party not connected with the Company or its connected persons.

### ***The Property to be disposed***

The Property to be disposed of is factory unit 19 on 8/F, Vanta Industrial Centre, Nos. 21-33, Tai Lin Pai Road, Kwai Chung, New Territories.

### ***Consideration***

The consideration for the Disposal is HK\$22,000,000.00, which shall be settled by the Purchaser in the following manners:

- (i). The Purchaser shall pay an initial deposit of HK\$1,100,000.00 upon signing of Preliminary Sale & Purchase Agreement;
- (ii). The Purchaser shall pay a further deposit of HK\$1,100,000.00 on or before 10 March 2021;
- (iii). The Purchaser shall pay the balance being HK\$19,800,000.00 upon completion on or before 24 May 2021.

### ***Completion***

Completion shall take place on or before 24 May 2021.

### ***Financial Information about the Property***

As at 31 March 2020, the audited carrying value of the Property was approximately HK\$10,500,000.

The audited financial information of the Property on 31 March 2019 and 31 March 2020 is set out below:

	<b>31 March 2019</b> <i>HK\$ approximately</i>	<b>31 March 2020</b> <i>HK\$ approximately</i>
Net loss before taxation	511,000	817,000
Net loss after taxation	514,000	817,000

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Company believes that the Disposal is one of the Company's restructuring strategies. Through the Disposal, the Company will be able to reallocate more financial resources to its core business and for future development.

The Board considers that the terms of Preliminary Sale & Purchase Agreement of the Property are on normal commercial terms and the Disposal is fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

## **FINANCIAL IMPLICATION**

Upon Completion, the Company is expected to recognise a disposal gain of approximately HK\$11,668,000 (net of tax) which is calculated on the basis of the difference between the net amount of the consideration of the Disposal and the book value of the Property of approximately HK\$10,007,000.

## **INFORMATION ABOUT THE COMPANY, THE VENDOR AND THE PURCHASER**

The Company is an investment holding company and its subsidiaries are principally engaged in restaurant operations in Hong Kong.

The Vendor is principally engaged in property investment in Hong Kong.

The Purchaser is principally engaged in operating of restaurants in Hong Kong.

## **USE OF PROCEEDS FROM THE DISPOSAL**

The net proceeds from the Disposal (after deducting transaction costs, tax and professional expenses) will be approximately HK\$21,675,000.

The Company intends to use the net proceeds from the Disposal to strengthen the general working capital of the Company.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratios in respect of the Disposal exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under the GEM Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Board”	the board of Directors
“Company”	Simplicity Holding Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the GEM (stock code: 8367)
“Completion”	completion of the sale and purchase of the Property
“connected persons”	has the meaning as ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Property by the Vendor to the Purchaser
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rule”	the Rules Governing the Listing of Securities on GEM
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial Shareholders of the Company or their respective associates
“Preliminary Sale & Purchase Agreement”	the preliminary sale & purchase agreement dated 25th February 2021 and entered into between the Vendor and the Purchaser in relation to the Disposal
“Property”	Factory unit 19 on 8/F, Vanta Industrial Centre, Nos. 21-33, Tai Lin Pai Road, Kwai Chung, New Territories
“Purchaser”	Kam Kee Consultancy Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor”

Grace Wealth Holdings Limited

“%”

per cent.

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

Hong Kong, 26 February 2021

*As at the date of this announcement, the Board comprises Ms. Wong Suet Hing, Ms. Wong Sau Ting Peony and Mr. Wong Chi Chiu Henry as executive Directors; and Ms. Ng Yau Kuen Carmen, Mrs. Cheung Lau Lai Yin Becky and Mr. Yu Ronald Patrick Lup Man as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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 website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) on the “Latest Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at [www.simplicityholding.com](http://www.simplicityholding.com).*

\* For identification purpose only