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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)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING IN RELATION TO POSSIBLE FORMATION OF THE JOINT VENTURE

This voluntary announcement is made by Simplicity Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) to inform the public of the updated business development of the Group.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 26 October 2022 (after trading hours), the Company entered into a non-legally binding memorandum of understanding (the “**MOU**”) with an independent party, Yunnan Kangjitang Pharmaceutical (Group) Co., Ltd* (the “**Potential Partner**”). The MOU is related to the proposed formation of a joint venture company in China (the “**Proposed Joint Venture**”) for the purpose of conducting, operating and investing into the project of hotel dining and beverage, healthy meals and health guidance provided by traditional Chinese medicine practitioners.

Accounting to the MOU, it’s proposed that the Company and the Potential Partner would hold 51% and 49% equity interests in the Proposed Joint Venture respectively. The MOU is intended to record the preliminary mutual understanding between the parties to the MOU and to serve as a platform for further negotiations and no legally binding agreement in relation to the Proposed Joint Venture has been entered into by relevant parties.

REASONS FOR THE PROPOSED JOINT VENTURE

The Company develops together with the possibility of diversification of the business of the Company, with a view to maximizing return to the Company and the shareholders as a whole in the long run. The Board considers that the Proposed Joint Venture, should it be materialized, would be beneficial and in the interests of the Company and the Shareholders as a whole.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Potential Partner and its ultimate beneficial owner are independent third parties who are not connected persons (as defined under the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) of the Company.

Shareholders and potential investors of the Company should note that the MOU may or may not lead to the entering into of the definitive agreement and transactions contemplated thereunder may or may not be consummated. The Board wishes to emphasize that no binding agreement in relation to the Proposed Joint Venture has been entered into by the Company as at the date of this announcement. The Proposed Joint Venture, if materialized, may or may not constitute a notifiable transaction for the Company under the GEM Listing Rules. Further announcement will be made in respect thereof as and when required by the GEM Listing Rules. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Simplicity Holding Limited
Wong Sau Ting Peony
Executive Director

Hong Kong, 26 October 2022

As at the date of this announcement, the executive Directors of the Company are Ms. Wong Sau Ting Peony and Mr. Choi Pun Lap; and the independent non-executive Directors of the Company are Mr. Yeung Man Sun, Mr. Wong Hoyen Pegasus and Mr. Lo Cheuk Fei Jeffrey.

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 Listed Company Information” 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>.

* For identification purpose only