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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Simplicity Holding Limited, you should at once hand this circular to the purchaser(s) or the transferee(s), or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)

MAJOR TRANSACTION
IN RELATION TO THE FORMATION OF A JOINT VENTURE

Capitalised terms used on this cover shall have the same meanings as those defined in this circular, unless the context requires otherwise. A letter from the Board is set out on pages 4 to 16 of this circular.

Pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written shareholder's approval for the JV Agreement and the transactions contemplated thereunder has been obtained from Marvel Jumbo Limited, a controlling shareholder holding 67.5% of the issued share capital of the Company as at the Latest Practicable Date. No general meeting will be convened for approving the JV Agreement and the transactions contemplated thereunder and this circular is for information only.

This circular will remain on the website of GEM at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting. This circular will also be published on the Company's website at <https://www.simplicityholding.com>.

31 May 2019

* For identification purposes only

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	I-1
APPENDIX II – GENERAL INFORMATION	II-1

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 18 April 2019 in relation to the JV Agreement
“Board”	the board of Directors
“CIL”	Cabletron Investments Limited, a company incorporated in the British Virgin Islands, being one of the parties to the JV Agreement
“Company”	Simplicity Holding Limited, a company incorporated in the Cayman Islands whose issued Shares are listed on GEM of the Stock Exchange (Stock Code: 8367)
“Completion”	the completion of the formation of the joint venture in accordance with the terms of the JV Agreement
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“DCL”	DCL Logistics (Hong Kong) Limited, a company incorporated in Hong Kong, being one of the parties to the JV Agreement
“Director(s)”	the director(s) of the Company from time to time
“FGL”	Foodies Group Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons

DEFINITIONS

“IPO”	the placing and initial public offering of the Shares in February 2018
“JV Agreement”	the joint venture agreement dated 18 April 2019 and entered into between FGL, CIL, Mr. Yau and DCL in relation to the formation of the JV Company
“JV Company”	Well Strong Holdings Limited, a company incorporated in Hong Kong
“Landlord”	the owner of the Premises which will house the cold storage facilities to be operated by the JV Company, who is also an Independent Third Party
“Latest Practicable Date”	27 May 2019 being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“MJL”	Marvel Jumbo Limited, a company incorporated in the British Virgin Islands, and the issued share capital of which is owned as to 31% by Ms. Wong Suet Hing, 31% by Ms. Chow Lai Fan, 18.7% by Ms. Wong Sau Ting Peony, 15% by Ms. Wong Suet Ching and 4.3% owned by Mr. Ma Sui Hong, which as at the Latest Practicable Date is beneficially interested in 540,000,000 Shares representing 67.5% of the issued share capital of the Company
“Mr. Yau”	Mr. Yau Wai Leung
“Ms. Ng”	Ms. Ng Sau Lai
“Premises”	the building situated at Nos.11-19 Wing Yip Street, Kwai Chung, New Territories, Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD

SIMPLICITY HOLDING LIMITED

倩碧控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8367)

Executive Directors:

Ms. Wong Suet Hing (*Chairlady*)

Ms. Wong Sau Ting Peony

Mr. Wong Muk Fai Woody

Mr. Ma Sui Hong

Mr. Wong Chi Chiu Henry

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Independent non-executive Directors:

Ms. Ng Yau Kuen Carmen

Mrs. Cheung Lau Lai Yin Becky

Mr. Yu Ronald Patrick Lup Man

*Head Office and Principal Place of
Business in Hong Kong:*

Unit 13, 8/F

Vanta Industrial Centre

21-33 Tai Lin Pai Road

Kwai Chung, New Territories

Hong Kong

31 May 2019

To the Shareholders of the Company

Dear Sir/Madam,

**MAJOR TRANSACTION
IN RELATION TO THE FORMATION OF A JOINT VENTURE**

A. INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the JV Agreement.

On 18 April 2019, FGL, a wholly-owned subsidiary of the Company, together with CIL, Mr. Yau and DCL entered into the JV Agreement in relation to the JV Company. After Completion, the issued share capital of the JV Company will be owned as to 50% by FGL, as to 30% by CIL, as to 10% by Mr. Yau and as to 10% by DCL. The JV Company will be principally engaged in cold storage business in Hong Kong.

* *For identification purposes only*

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, further details of the JV Agreement.

B. THE FORMATION OF THE JOINT VENTURE

THE JV AGREEMENT

Date

18 April 2019

Parties

- (1) FGL;
- (2) CIL;
- (3) Mr. Yau; and
- (4) DCL

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, CIL is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding business, CIL and its ultimate beneficial owner(s) are Independent Third Parties. The ultimate beneficial owner of CIL has been engaged in finance and accounting industry for over 20 years.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Yau is a substantial shareholder in a subsidiary of the Company, as such Mr. Yau is a connected person of the Company at subsidiary level.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, DCL is a company incorporated in Hong Kong with limited liability and is principally engaged in logistics business, and DCL and its ultimate beneficial owner, Ms. Ng, are Independent Third Parties. Ms. Ng has been engaged in the logistics industry for approximately 14 years, providing logistics services which include transportation, warehousing with freezers, chillers, air-conditioned rooms, general rooms and rice storage rooms, and customisation services (consisting mainly of repacking and labeling services) as well as certain value-added services (consisting mainly of container handling services and provision of assistance to the preparation of shipping documentation services).

LETTER FROM THE BOARD

Business of the JV Company

The JV Company is a company incorporated in Hong Kong with limited liability and will be principally engaged in cold storage business in Hong Kong. Pursuant to the JV Agreement, the JV Company shall not engage in any other business unless otherwise agreed by the parties to the JV Agreement. As at the Latest Practicable Date, the share capital of the JV Company is divided into 10,000 shares and owned as to 50% by FGL, as to 30% by CIL, as to 10% by Mr. Yau and as to 10% by DCL.

Capital contributions by the parties

The following table shows the capital contributions injected by each of the parties to the JV Agreement:

Name of party	Capital contribution by each party (HK\$'million)	Percentage of equity interest in the JV Company
FGL	15	50%
CIL	9	30%
Mr. Yau	3	10%
DCL	<u>3</u>	<u>10%</u>
Total	<u>30</u>	<u>100%</u>

The amount of the capital contributions injected by the parties was determined after arm's length negotiations among the parties with reference to the JV Company's initial estimated funding needs and the agreed share by each party. The capital contributions were made by the parties to the JV Agreement in cash in proportion to their respective equity interest in the JV Company. The Company's portion of the capital contribution is funded as to approximately HK\$5.6 million by the Group's internal resources and partially by re-allocating approximately HK\$9.4 million of the proceeds from the IPO. The making of such capital contribution did not have any material adverse impact on the financial position of the Group.

LETTER FROM THE BOARD

Proposed usage of the capital contributions by the JV Company

The following table sets out the proposed usage of the initial capital contributions by the shareholders of the JV Company to the JV Company:

	<i>(HK\$)</i>
Three months' rental deposits and one-month initial rental payment	18,275,143
Owner management deposits	240,000
Bank guarantee	800,000
Fit out	1,000,000
System	300,000
New equipment	5,000,000
Refill of refrigerant	200,000
General working capital	<u>4,184,857</u>
	<u><u>30,000,000</u></u>

There is no present financing plan for the JV Company as the management of the JV Company anticipates that the rental income to be generated from the cold storage business of the JV Company should be sufficient to cover the rental payment, management fee, staff costs and other running costs of the JV Company and no additional capital would be required at this stage.

Conditions precedent

The performances of the terms of the JV Agreement by the parties thereto are conditional upon the obtaining of the relevant Shareholders' approval at a general meeting of the Company pursuant to the requirements of the GEM Listing Rules or the Company has obtained a written approval for the JV Agreement and the transactions contemplated thereunder from a closely allied group of Shareholders holding 50% or more of the voting rights at a general meeting of the Company.

To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, none of the Shareholders including MJL has any material interest in the JV Agreement and the transactions contemplated thereunder, therefore no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the JV Agreement and the transactions contemplated thereunder. An extraordinary general meeting of the Company to approve the JV Agreement and the transactions contemplated thereunder is therefore not required pursuant to Rule 19.44 of the GEM Listing Rules. As at the Latest Practicable Date, the Company has obtained a written approval for the JV Agreement, the corporate guarantee and the transactions contemplated thereunder from MJL (the controlling shareholder of the Company holding 540,000,000 Shares, representing 67.5% of the issued share capital of the Company as at the Latest Practicable Date).

LETTER FROM THE BOARD

The condition precedent of the JV Agreement has been satisfied and Completion took place on 18 April 2019.

Board composition

The board of directors of the JV Company will comprise of three directors. Each of FGL, CIL and DCL shall have the right to appoint one (1) director. The number of directors to be appointed by each shareholder of the JV Company was determined after commercial negotiations among the shareholders of the JV Company. The Company's participation in the JV Company is expected to be passive and the Company has no intention to participate in the day-to-day operations and management of the JV Company as the primary business activities of the Group is food and beverage catering and restaurant operation.

The primary duty of the director appointed by the Company to the JV Company is to oversee the general management and direction of the JV Company rather than day-to-day operations of the cold storage business to be operated by the JV Company.

The Board considers that the appointment of one director to the JV Company would be sufficient to undertake the intended function of the Company in the JV Company as a passive investor. Further, it is the intention of the Company to recognise the JV Company as an associate of the Company rather than a non-wholly-owned subsidiary, the Board therefore considers that the appointment of one director to the JV Company to be fair and reasonable given the circumstances.

Corporate guarantee

The JV Company will enter into a lease agreement with the Landlord in relation to the tenancy of the Premises for cold storage business for an initial term of three years with an option to renew by the JV Company for another further term of three (3) years; and a further option to renew for another further term of four (4) years. A monthly management fee of not more than HK\$80,000 will be payable to the Landlord for the building management services provided by the Landlord, the final figure of which is currently under negotiation between the relevant parties as at the Latest Practicable Date. After the execution of the lease agreement for the cold storage facilities, the Company will execute a corporate guarantee in favour of the Landlord in such form as may be agreed by the Company, the Landlord and the JV Company for an amount up to HK\$15,000,000, to guarantee the performance of the JV Company under the relevant lease agreement. The Landlord and its ultimate beneficial owner are not related to any of the shareholders of JV Company.

Each of CIL, Mr. Yau and DCL has agreed to indemnify FGL against all losses and costs which may be sustained by FGL flowing from the Landlord exercising its rights under the corporate guarantee to be provided by FGL in proportion to each of their respective shareholding in the JV Company. There is no other contractual commitment to be made by the Company to the JV Company or the other shareholders of the JV Company other than the provision of the corporate guarantee.

LETTER FROM THE BOARD

Given the back-to-back guarantee provided by other parties to the JV Agreement, the Directors (including the independent non-executive Directors) consider that the provision of such corporate guarantee to be fair and reasonable and on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is a casual dining full service restaurants operator with central kitchen and storage facilities in Hong Kong.

The Company is constantly seeking opportunities in order to increase the return to its Shareholders. The Directors, having conducted research on the cold storage facilities business in Hong Kong, observed that despite the strong demand for cold storage facilities in Hong Kong, there is a constant shortage of cold storage facilities supply. To the best of the Directors' knowledge and belief, there are around 6 sizeable cold storage facilities providers in Hong Kong. One of the reasons for the shortage of cold storage facilities is the barriers to entry, including the obtaining of a cold storage licence, which has stringent application requirements. In order to obtain such a licence, certain standard requirements in respect of plans, cold storage room, food inspection room, etc., must be fulfilled, and the Premise have been equipped to meet the above criteria as at the Latest Practicable Date. The transfer of cold storage licence is being processed as at the Latest Practicable Date and the expected cost to the JV Company for such transfer is approximately HK\$200,000.

Although none of the Directors had any experience in cold storage business in Hong Kong, the executive Directors, being restaurant operators with many years of experience are in frequent contact with cold storage operators through normal business contacts. Further, one of the parties to the JV Agreement, DCL, has been operating cold storage business in Hong Kong for 12 years and from the business experience of DCL, the existing capacity of cold storage facilities in Hong Kong is fully occupied and existing cold storage operators often have to turn down new orders from their customers as most of the cold storage facilities in Hong Kong are reaching their maximum capacities.

While DCL is also engaged in the cold storage business, the scale of DCL's cold storage facilities is much smaller than the cold storage facilities to be operated by the JV Company. As such, the quantity of goods being stored in DCL's own cold storage facilities are smaller and tends to cater for small scale customers. The target customers of the JV Company are those with larger quantity seeking for large-scale cold storage facilities like the one operated by the JV Company. In addition, the temperate range of the storage facilities operated by the JV Company is also different from those offered by DCL. Hence, DCL and the JV Company are targeting different customer segments. For the above reasons, the Directors do not consider there to be any conflict and competition between the cold storage business operated by DCL and the business of the JV Company.

LETTER FROM THE BOARD

Given that (i) the demand for cold storage facilities is growing constantly as a significant amount of food supply in Hong Kong is imported and a substantial portion of which are re-exported; and (ii) Hong Kong has a strong dining out culture for the local population, which keeps the demand for frozen food and the corresponding cold storage and logistics services increasingly high, the Directors consider that there is promising growth potential in the cold storage business in Hong Kong and the JV Company would allow the Group to diversify into investment in cold storage business in Hong Kong.

The Directors estimated that the rental for the JV Company's cold storage facilities would be between HK\$35 to HK\$40 per square foot per month and the net profit margin of cold storage facilities in Hong Kong per square foot per month is approximately HK\$6.5. The proposed floor area of the cold storage facilities to be operated by the JV Company will be approximately 300,000 square feet, the Directors anticipate that when the cold storage facilities are in full operation, the JV Company will provide positive contribution to the financial performance of the Group. The Directors have enquired with other cold storages located in Hong Kong regarding the rent payable for leasing a large storage area similar in size to the cold storage facilities operated by the JV Company as part of the due diligence work to assess the reasonableness of the rent asked by the Landlord.

Given the strong demand for cold storage facilities in Hong Kong as evidenced by DCL who continuously receive queries from their customers about the availability of the cold storage space, accompanied by enquiries made with the peers in the cold storage industry who also receive queries from their customers from time to time to request for additional cold storage space, the Directors believe this could justify their decision to start up for this business.

The bidding process for leasing the cold storage building attracted several bidders which proves that cold storage is a lucrative business in Hong Kong. The Board has performed several site visits to other cold storage facilities in Hong Kong and by observation the cold storage were fully occupied.

DCL had been providing logistics services to the former tenant of the Premises and by observation and conversation with the former tenant, they always maintained high occupancy ratio and high traffic of goods entering and exiting the Premises.

By experience of DCL, the rental rate of HK\$35 to HK\$40 per square foot is a conservative approach, other operators are charging above this rate. The reason why the JV Company is adopting a more conservative approach to its pricing is because the JV Company would want to gain maximum market share in the shortest possible time.

LETTER FROM THE BOARD

The Company conducted scenario analysis, feasibility study, IRR analysis, site visits on the target cold storage facilities, and discussion with DCL about the shortage of the cold storage facilities in Hong Kong which could not cater for the growing demand for those customers who are looking for large scale cold storage facilities to store their products. Based on the above conservative approach to project the performance of the JV Company in the next 12 months and the due diligence conducted by the Company, the management of the JV Company is optimistic that the cold storage business would generate good profits to the JV Company.

Taking into account the future prospect of the JV Company and the back-to-back guarantee provided by other parties to the JV Agreement, the Directors (including the independent non-executive Directors) consider that the entering into of the JV Agreement, the provision of the corporate guarantee and the terms and conditions thereunder are fair and reasonable and on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

FINANCIAL EFFECT OF THE JOINT VENTURE

Following completion of the capital injections by the parties as contemplated under the JV Agreement, the JV Company will be accounted for as an associate of the Company and its results will not be consolidated into the financial statements of the Group. The overall effects of the formation of the JV Company on the future earnings of the Group will depend on, among other things, the operating results and distribution of dividends of the JV Company. It is expected that the making of such capital contribution would not have any material adverse impact on the financial position of the Group.

CHANGE IN USE OF PROCEEDS

The planned use of the proceeds of approximately HK\$32.6 million from the IPO compared against the utilisation up to the Latest Practicable Date is as follows:

	Planned use of IPO Proceeds (HK\$'000)	Utilisation up to the Latest Practicable Date (HK\$'000)
Opening of four new Japanese ramen restaurants	17,500	10,060
Opening of one new Marsino restaurant	4,400	4,400
Opening of one new Grand Avenue restaurant	4,400	–
Expanding central kitchen storage facilities	3,500	1,543
Upgrading computer system	1,300	1,031
Implementation of marketing and promotional activities	1,000	383
General working capital	<u>500</u>	<u>500</u>
	<u>32,600</u>	<u>17,917</u>

LETTER FROM THE BOARD

Opening of four new Japanese ramen restaurants

In accordance with the implementation plan of the use of IPO proceeds, the Group opened two new Japanese ramen restaurants in Ma On Shan and Mongkok in May 2018 and July 2018 respectively, utilising in aggregate approximately HK\$10,060,000 of the IPO proceeds. Unfortunately, due to under-performance of the Ma On Shan restaurant, the Company decided to switch the brand from the Japanese ramen restaurant and replaced it with a Malay cuisine restaurant in March 2019, as a strategic move with the aim to capture more customers and increase its revenue. As at the Latest Practicable Date, the Company has not yet identified suitable location for the opening of the remaining two Japanese ramen restaurants. In order to avoid further exposure on the risk of under-performance of Japanese ramen restaurant like the Ma On Shan restaurant did, the Company had been evaluating any alternative use of the unutilised proceed of this part to better deploy the resources of the Group. The remaining part of the proceeds of approximately HK\$7,440,000 has been fully utilised to fund the Company's capital contribution to the JV Company.

Opening of one new Marsino restaurant

In accordance with the implementation plan of the use of IPO proceeds, approximately HK\$4,400,000 were utilised for the opening of one Marsino restaurant in Chai Wan in November 2018.

Opening of one new Grand Avenue restaurant

As at the Latest Practicable Date, the Company has not yet identified a suitable location for the opening of the new Grand Avenue restaurant despite its ongoing effort to negotiate with different landlords and property agencies regarding the availability of a prime location to open the restaurant with lower rent and less competition.

Expanding central kitchen storage facilities

As at the Latest Practicable Date, approximately HK\$1,543,000 out of HK\$3,500,000 were utilised for expanding central kitchen storage facilities. One of the main reasons for the discrepancy between the amount of IPO proceeds planned for utilisation on such purpose and the actual amount of IPO proceeds utilised was that the process of identifying a suitable location with close proximity to the Group's central kitchen for the expansion of the central kitchen storage facilities was more time-consuming than expected. The Group has partially expanded its central kitchen storage facilities by purchasing new equipment and renting additional spaces for storage facilities utilising the IPO proceeds planned for such use. The Group had consulted with an engineering company for analysing the feasibility of installing new refrigerators and setting up a new food processing line, but such plan was not implemented due to the shortage of power supply. In view of the Group's implementation plan on opening of the remaining two Japanese ramen restaurants and Grand Avenue has been delayed, there is no immediate need to further expand the Group's central kitchen storage facilities. As such, the Company had been evaluating any alternative use of the unutilised proceed of this part to better deploy the resources of the Group, the remaining part of the IPO proceeds of approximately HK\$1,957,000 has been fully utilised to fund the Company's capital contribution to the JV Company.

LETTER FROM THE BOARD

Upgrading computer system

In accordance with the implementation plan of the use of IPO proceeds, approximately HK\$1,031,000 were utilised for the upgrading of the computer systems of the Group, after making comprehensive comparisons between different computer systems to select the most practical and economical option which is suitable for the Group. The Company will continue to explore any further upgrades to be made to its computer systems with the view to increase efficiency and streamline the completion of tasks. As at the Latest Practicable Date, the Company does not have any intention to utilise the remaining IPO proceeds planned for upgrading of the Group's computer system for any alternative use.

Implementation of marketing and promotional activities

In accordance with the implementation plan of the use of IPO proceeds, approximately HK\$383,000 were utilised for the marketing and promotional activities of the Group. The Company does not have any present intention to utilise the remaining IPO proceeds planned for the Group's marketing and promotional activities for any alternative use.

General working capital

In accordance with the implementation plan of the use of IPO proceeds, approximately HK\$500,000 were utilised for the general working capital of the Group.

In view of the foregoing and for the reasons for the change in use of IPO proceeds as disclosed in the Announcement, the Directors considered that it would be in the interest of the Company and its shareholders as a whole to apply certain IPO proceeds allocated for the opening of two new Japanese ramen restaurants, a new Grand Avenue restaurant and the expansion of central kitchen storage facilities for alternative uses to optimise the utilisation of the IPO proceeds.

The following table is a summary of the timing of negotiation for the JV Agreement and the utilisation of the IPO proceeds since the IPO:

February 2018 to March 2019	Upgrading of computer system of the Group which utilised approximately HK\$1 million of the IPO proceeds
March 2018 to March 2019	Expansion of central kitchen storage facilities which utilised approximately HK\$1.4 million of the IPO proceeds
May 2018	Opening of one Japanese ramen restaurant in Ma On Shan which utilised approximately HK\$5 million of the IPO proceeds
May 2018 to February 2019	Marketing and promotion activities on the Group's restaurant which utilised approximately HK\$0.4 million of the IPO proceeds

LETTER FROM THE BOARD

July 2018	Opening of one Japanese ramen restaurant in Mongkok which utilised approximately HK\$5 million of the IPO proceeds
November 2018	Opening of one Marsino restaurant in Chai Wan which utilised approximately HK\$4.4 million of the IPO proceeds
19 December 2018	Due to underperformance of the Japanese ramen restaurant in Ma On Shan since its opening, the Board decided to close down the restaurant and to replace it with a Malay cuisine restaurant
27 January 2019	Opening of one Malay cuisine restaurant to replace the Japanese ramen restaurant in Ma On Shan
21 February 2019	DCL approached the Company to explore the potential business opportunity in relation to the JV Company
26 February 2019	Ms. Wong Sau Ting Peony had a discussion with DCL and Mr. Yau in relation to the formation of the JV Company
8 March 2019	Ms. Wong Sau Ting Peony had a further discussion with DCL on the main terms of the JV Agreement
14 March 2019	A meeting was held among the Company, DCL and representatives from the Landlord
15 March 2019	The Company met with DCL on the scenario analysis and feasibility study in relation to the transactions contemplated under the JV Agreement
16 March 2019	The Company began negotiation on the main terms of the lease arrangement with the Landlord
21 March 2019	The Company carried out a site visit of the Premises
25 March 2019	The Company approached CIL for investment in the JV Company
11 April 2019	The Company notified its compliance adviser, subject to finalisation of detailed terms, in relation to its intention to enter into the JV Agreement and the proposed change in use of IPO proceeds and instructed its legal adviser to prepare the necessary documents for the establishment of the JV Company

LETTER FROM THE BOARD

12 April 2019	A board meeting was held for the Directors to discuss the JV Company and the closure of the Grand Avenue restaurant in Tsuen Wan and the relevant information tabled, including the scenario analysis, projected profit and loss, investment costs, source of funding (including the proposed change in the use of the IPO proceeds). The Directors (including the independent non-executive Directors) considered that it would be in the interest of the Company and the Shareholders as a whole to apply the unutilised IPO proceeds of approximately HK\$9.4 million for investment into the JV Company
16 April 2019	A board meeting was held for the Directors to approve the JV Agreement and the proposed change in use of IPO proceeds. All Directors including the independent non-executive Directors have confirmed their approval of the JV Agreement
18 April 2019	The JV Agreement was signed and the Announcement was published
16 May 2019	Closure of the Grand Avenue restaurant in Tsuen Wan

GEM LISTING RULES IMPLICATION

As the highest applicable percentage ratio in respect of the JV Agreement is more than 25% but is less than 100%, the entering into of the JV Agreement constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. As Mr. Yau is also a substantial shareholder in a subsidiary of the Company, Mr. Yau is a connected person to the Company at subsidiary level and therefore the entering into of the JV Agreement constitutes a connected transaction of the Company and is subject to reporting and announcement requirements but exempted from shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

Since Mr. Yau is a connected person of the Company at the subsidiary level only and the Board has approved the provision of the corporate guarantee and the independent non-executive Directors have confirmed that the terms of the corporate guarantee are fair and reasonable and are on normal commercial terms and in the interests of the Company and the Shareholders as a whole, the corporate guarantee is exempted from the circular, independent financial advice and shareholders' approval requirements under Rule 20.99 of the GEM Listing Rules.

LETTER FROM THE BOARD

Since no Shareholder is required to abstain from voting if the Company were to convene an extraordinary general meeting for the approval of the JV Agreement and the transactions contemplated thereunder, and the Company has obtained a written approval for the JV Agreement and the transactions contemplated thereunder from MJL (the controlling shareholder of the Company holding in aggregate 540,000,000 Shares, representing 67.5% of the issued share capital of the Company as at the Latest Practicable Date), an extraordinary general meeting of the Company to approve the JV Agreement and the transactions contemplated thereunder will not be required pursuant to Rule 19.44 of the GEM Listing Rules and will not be convened.

RECOMMENDATION

The Board considers that the terms of the JV Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

Financial information on the Group for the financial year ended 31 March 2018 and the nine months ended 31 December 2018 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.simplicityholding.com/zh-i-r-annual>):

- prospectus of the Company dated 6 February 2018;
- annual report of the Company for the year ended 31 March 2018 published on 28 June 2018 (pages 39 to 98); and
- quarterly report of the Company for the nine months ended 31 December 2018 published on 15 February 2019 (pages 3 to 11).

2. STATEMENT OF INDEBTEDNESS AND CONTINGENT LIABILITIES

As at the close of business on 30 April 2019, being the latest practicable date for the sole purpose of this statement of indebtedness prior to the date of this circular, the Group had outstanding borrowings comprising the following:

Bank borrowings

As at 30 April 2019, the secured and guaranteed bank borrowings of approximately HK\$15,000,000 of the Group were secured by leasehold land and building owned by the Group with the carrying amount of HK\$32,459,229 and corporate guarantees provided by the group companies.

Contingent liabilities or guarantees

As at 30 April 2019, the Group did not have any material contingent liabilities.

As at 30 April 2019, corporate guarantees amounting to HK\$15,000,000 were given to a bank by the Group for the provision of general banking facilities.

Except as disclosed above and apart from intra-group liabilities, the Group did not have, as at 30 April 2019, any other debt securities issued and outstanding, and authorised or otherwise created but unissued, terms loans, other borrowings and indebtedness, bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchases commitments, finance lease obligations, mortgages, charges, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, in the absence of unforeseen circumstances and after taking into account the financial resources and credit facilities available to the Group (including its internally generated funds), the Group will have sufficient working capital to satisfy its present requirements and the requirements for at least 12 months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a casual dining full service restaurants operator with central kitchen and storage facilities in Hong Kong.

The food and beverage sector are facing tremendous challenges including increasing competition as there are many new entrants entering the market every year as generally speaking it does not require highly specialised skills to operate a restaurant. In order to improve the overall business of the Group, the Company plans to:

1. Expand the restaurant network – the Group is exploring the opportunities to further develop its brands in different locations. During the year and up to the Latest Practicable Date, the Company has signed an offer letter with a landlord to secure a place in Ngau Tau Kok and expect to open a new restaurant under the brand “Baba Nyonya” in October 2019. In addition, the Company has received tenancy offers from landlords and property agencies from time to time and the Company will make assessment on each location to determine whether the offers shall be accepted. The Company believes that by leveraging its core competencies to further expand the network of its existing brands, additional profits can be generated with relatively lower risks taken as compared to the risk of developing a new brand.
2. Exercise option for renewal of existing lease – most of the existing tenancy agreements of the Group include an option to renew the leases and the Company will conduct a financial analysis taking into account factors such as business forecasts for the relevant restaurants to determine whether the relevant renewal options shall be exercised.
3. Rebranding – the Group is in the process of revamping its brand “Marsino” with the aim to reach out to new potential customers by providing a new look to them. Rebranding can also rejuvenate the brand image since the logo, colour scheme, and theme of the new restaurant are completed redesigned. The restaurant menu was also redesigned to include new elements such as Taiwanese beef noodle while retaining the existing popular food items. The first rebranded “Marsino” restaurant was launched in Chai Wan in November 2018 and the Company will continue to explore opportunities to further develop its rebranding strategy.

4. Closure of restaurants – during the year the Group has closed down a restaurant in Shatin which was operated under the brand “La Dolce” upon the expiration of its lease term. Given the adverse impact of its financial performance on the Group’s overall financial performance, the Directors were of the view that it would be in the best interest of the Group to close down the restaurant and divert the existing resources to the other restaurants of the Group.
5. Brand switching – during the year the Group has switched the brands from “Beefst” and “HaHa Prawn Mee” to “Baba Nyonya” for the restaurants located at Ma On Shan, as well as switching the brand from “La Dolce” to “Baba Nyonya” for the restaurant located at Tseung Kwan O as the “Baba Nyonya” brand is expected to bring more business to the Group given that Malaysian cuisine has less competition with affordable prices in the regions where the above two restaurants are situated. In addition, by closing down the last “La Dolce” restaurant, the Group can reduce its operating costs by managing fewer food ingredients and cuisines, as well as handling less marketing materials and menu design.

With respect to the JV Company, given that the demand for cold storage facilities is growing constantly and there is a constant shortage of cold storage facilities supply in Hong Kong, the Directors consider that there is promising growth potential in the cold storage business in Hong Kong and it is anticipated that when the cold storage facilities are in full operation, the JV Company will provide positive contribution to the financial performance of the Group.

5. MATERIAL ADVERSE CHANGE

Save as disclosed in (i) the profit warning announcement of the Company dated 29 January 2019 and; (ii) the quarterly results announcement of the Company for the nine months ended 31 December 2018 dated 30 January 2019, as at the Latest Practicable Date, having considered the development on its financial position, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2018, being the date to which the latest published audited financial statements of the Group were made up.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or which were required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long position in the shares of the associated corporation of the Company

Name of Director	Name of associated corporation	Capacity/nature	No. of shares held	% of shareholding in the associated corporation
Ms. Wong Suet Hing	MJL	Beneficial interest	620	31.0%
Ms. Wong Sau Ting Peony	MJL	Beneficial interest	374	18.7%
Mr. Ma Sui Hong	MJL	Beneficial interest	86	4.3%
Mr. Wong Muk Fai Woody (<i>Note</i>)	MJL	Interest of spouse	620	31.0%

Note: By virtue of being the spouse of Ms. Chow Lai Fan, Mr. Wong Muk Fai Woody is deemed to be interested in Ms. Chow Lai Fan's shareholding in MJL.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporation (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or which were required pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or which were required pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at the Latest Practicable Date, the following persons/entities (other than the Directors and chief executive of the Company) had or were deemed to have an interest or a short position in the Shares or the underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group:

Long positions in the Shares

Name	Capacity/nature	No. of Shares held	Approximate % of shareholding
MJL (Note 1)	Beneficial interest	540,000,000	67.5%
Charm Dragon Investments Limited (Note 2)	Beneficial interest	60,000,000	7.5%
Mr. Cheung Wai Yin Wilson (Note 2)	Interest in controlled corporation	60,000,000	7.5%
Ms. Lam Ka Wai (Note 2)	Interest of spouse	60,000,000	7.5%

Notes:

- (1) MJL is owned as to (i) 31.0% by Ms. Wong Suet Hing; (ii) 31.0% by Ms. Chow Lai Fan; (iii) 18.7% by Ms. Wong Sau Ting Peony; (iv) 15.0% by Ms. Wong Suet Ching; and (v) 4.3% by Mr. Ma Sui Hong. Ms. Wong Suet Hing and Ms. Wong Sau Ting Peony, being our executive Directors, are also directors of MJL.
- (2) Charm Dragon Investments Limited is 100% owned by Mr. Cheung Wai Yin Wilson, as such, he is deemed under the SFO to be interested in all the Shares in which Charm Dragon Investments Limited is interested. By virtue of being the spouse of Mr. Cheung Wai Yin Wilson, Ms. Lam Ka Wai is deemed to be interested in all the Shares in which Mr. Cheung Wai Yin Wilson is interested pursuant to the SFO.

Long positions in other members of our Group

Name	Name of member of our Group	Capacity/nature	No. of shares held	Approximate % of shareholding
Mr. Yau	All Happiness Limited	Beneficial interest	1,000	10%
Ms. Yim Wan Ying	Glory Fine Corporation Limited	Beneficial interest	20	20%
Ms. Ng Siu Ying Christina	Glory Fine Corporation Limited	Beneficial interest	20	20%

Save as disclosed above, as at the Latest Practicable Date, none of the substantial or significant shareholders or other persons, other than the Directors and chief executive of the Company whose interests are set out in the section headed “Directors’ and chief executive’s interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations” above, had or were deemed to have an interest or a short position in the Shares or the underlying Shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

4. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which have since 31 March 2018 (being the date to which the latest published audited consolidated financial statements of the Group were made up), up to the Latest Practicable Date, been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of (i) the Group's compliance adviser, Dakin Capital Limited (the "**Compliance Adviser**"), neither itself nor each of its directors, employees and close associates (as referred to in Rule 6A.32 of the GEM Listing Rules); and (ii) the Directors, controlling shareholders of the Company and their respective close associates (as defined under the GEM Listing Rules), was interested in any business which competes or is likely to compete either directly or indirectly with the business of the Group (as would be required to be disclosed under the GEM Listing Rules if each of them were a controlling shareholder).

8. INTERESTS OF THE COMPLIANCE ADVISER

Save for the compliance adviser agreement entered into between the Company and the Compliance Adviser, dated 15 January 2019, neither the Compliance Adviser nor any of its directors, employees or close associates has any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) pursuant to Rule 6A.32 of the GEM Listing Rules.

9. LITIGATION

As at the Latest Practicable Date, there were no litigation or claims of material importance, known to the Directors, pending or threatened against any member of the Group.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding and including the Latest Practicable Date and were or might be material:

- (i) the sale and purchase agreement dated 29 January 2018 and entered into among our Company as purchaser, Ms. Wong Suet Hing, Ms. Chow Lai Fan, Ms. Wong Sau Ting Peony, Mr. Ma Sui Hong and Ms. Wong Suet Ching as vendors for the sale and purchase of the entire issued share capital of FGL;
- (ii) the deed of indemnity dated 29 January 2018 and executed by MJL, Ms. Wong Suet Hing, Ms. Chow Lai Fan, Ms. Wong Sau Ting Peony, Ms. Wong Suet Ching and Mr. Ma Sui Hong in favour of the Company (for itself and as trustee for its subsidiaries) containing certain indemnities, the particulars of which are set out in the paragraph headed “D. Other Information – 2. Tax and other indemnities” in Appendix V to the prospectus of the Company dated 6 February 2018;
- (iii) the deed of non-competition dated 29 January 2018 and executed by MJL, Ms. Wong Suet Hing, Ms. Chow Lai Fan, Ms. Wong Sau Ting Peony, Ms. Wong Suet Ching and Mr. Ma Sui Hong in favour of the Company (for itself and as trustee for its subsidiaries) regarding certain non-competition undertakings, the particulars of which are set out in the section headed “Relationship with Controlling Shareholders” in the prospectus of the Company dated 6 February 2018;
- (iv) the conditional underwriting agreement dated 5 February 2018 and entered into by the Company, the executive Directors, MJL, Ms. Wong Suet Hing, Ms. Chow Lai Fan, Ms. Wong Sau Ting Peony, Ms. Wong Suet Ching and Mr. Ma Sui Hong as controlling shareholders, Vinco Capital Limited as sole sponsor, Pacific Foundation Securities Limited as sole bookrunner, Pacific Foundation Securities Limited, Vinco Capital Limited and Oceanwide Securities Company Limited as joint lead managers and Pacific Foundation Securities Limited, Vinco Capital Limited, Oceanwide Securities Company Limited, Ample Orient Capital Limited, Astrum Capital Management Limited, Nuada Limited, Frontpage Capital Limited and Marketsense Securities Limited as public offer underwriters relating to the offer of 20,000,000 new Shares by the Company for subscription by the public in Hong Kong, the particulars of which are set out in the section headed “Underwriting” in the prospectus of the Company dated 6 February 2018; and
- (v) the JV Agreement.

11. MISCELLANEOUS

- (i) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.
- (ii) The head office and principal place of business of the Company is situated at Unit 13, 8/F, Vanta Industrial Centre, 21-33 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.
- (iii) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (iv) The secretary of the Company is Mr. Wong Chi Chiu Henry. He is qualified as a Certified Public Accountant of Hong Kong Institute of Certified Public Accountants.
- (v) The compliance officer of the Company is Mr. Wong Chi Chiu Henry, who is an executive Director of the Company.
- (vi) The audit committee of the Company was established on 29 January 2018 with written terms of reference in accordance with Rule 5.28 of the GEM Listing Rules and in compliance with paragraph C.3 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the audit committee include, among others, to make recommendations to the Board on the appointment, reappointment and removal of the external auditor, to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of that auditor, monitor integrity of the Group's financial statements and the annual, quarterly and interim financial reports and to review the adequacy of the Group's policies and systems regarding risk management and internal controls. The audit committee currently consists of three independent non-executive Directors and is chaired by Ms. Ng Yau Kuen Carmen, the other members are Mrs. Cheung Lau Lai Yin Becky and Mr. Yu Ronald Patrick Lup Man.

Ms. Ng Yau Kuen Carmen (吳幼娟)(“**Ms. Ng**”), aged 43, was appointed as an independent non-executive Director on 29 January 2018. She had worked at PricewaterhouseCoopers for approximately 13 years in the Financial Services Assurance Department. Since leaving PricewaterhouseCoopers, she has been a practicing certified public accountant. Ms. Ng obtained a bachelor’s degree of business administration from the Chinese University of Hong Kong in May 1998, a master’s degree of business administration and a master’s degree of laws in corporate and financial law from the Hong Kong University of Science and Technology in November 2007 and the University of Hong Kong in November 2013, respectively. Since October 2017, Ms. Ng has been a fellow member of the Hong Kong Institute of Certified Public Accountants and she is currently the managing partner of Cypress Certified Public Accountants. Ms. Ng is currently an independent non-executive director of Get Nice Financial Group Limited (stock code: 1469), the issued shares of which are listed on the Main Board of the Stock Exchange, and Koala Financial Group Limited (stock code: 8226), the issued shares of which are listed on GEM of the Stock Exchange.

Mrs. Cheung Lau Lai Yin Becky (張劉麗賢)(“**Mrs. Cheung**”), aged 59, was appointed as an independent non-executive Director on 29 January 2018. Mrs. Cheung has over 30 years food safety and operation experience in catering, food retail, research and development, distribution and manufacturing industry in England, Hong Kong and China. She was an assistant food technologist in British Home Stores, England between July 1983 and February 1984, an assistant scientific officer at Flour Milling Baking Research Association, England in February to August 1984, a quality control and product development manager at Kenyons Fine Foods Ltd, England between October 1986 and July 1987, a technical manager at St Ivel Limited from August 1987 to May 1991, managing director and principal trainer at Best Key Food Hygiene Consultants, England from June 1991 to May 1994. Since 1983, Mrs. Cheung has been working in food safety related areas in England and Hong Kong. She is the chief executive officer of Best Key Consultants since 2007. Mrs. Cheung is currently the chairman of International Food Safety Association, and has served as a part-time lecturer trainer at The Chinese University of Hong Kong, The University of Hong Kong, and The Hong Kong Polytechnic University. She obtained a bachelor degree in food science from the London South Bank University, United Kingdom in July 1985 and a postgraduate diploma in management studies from the University of Westminster, United Kingdom in October 1986. She was elected as a member of the Institute of Food Science & Technology (UK) in 1991 and a fellow member of Royal Society of Health in 1991 and a fellow member of the Royal Society for Public Health in 2011. She is a voting member and a registered trainer of The Chartered Institute of Environmental Health since 2011.

Mr. Yu Ronald Patrick Lup Man (余立文) (“**Mr. Yu**”), aged 48, was appointed as an independent non-executive Director on 29 January 2018. He is the Chairman of the Nomination Committee and a member of Audit Committee and Remuneration Committee of the Company. Mr. Yu has over 20 years of experience in accounting, investment banking, and private equity investments. Mr. Yu holds a Bachelor of Informatics degree from Griffith University, Australia and a Master degree of Professional Accounting with University of Queensland, Australia. He is a fellow member of CPA Australia and fellow member of Hong Kong Institute of Certified Public Accountants. Mr. Yu is currently the responsible officer of VisTreasure Asset Management Limited.

- (vii) In the event of inconsistency, the English text of this circular shall prevail over their respective Chinese texts.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours from 10:00 a.m. to 12:30 p.m. and from 2:30 p.m. to 5:30 p.m. on any business day (except Saturdays and public holidays) at the office of Michael Li & Co. at 19/F., Prosperity Tower, 39 Queen’s Road Central, Central, Hong Kong for 14 days from the date of this circular:

- (i) the memorandum and articles of association of the Company;
- (ii) the prospectus of the Company dated 6 February 2018;
- (iii) the annual report of the Company for the financial year ended 31 March 2018 and the quarterly report of the Company for the nine months ended 31 December 2018;
- (iv) the material contracts disclosed in the section headed “Material Contracts” in this appendix; and
- (v) this circular.