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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)

**PROFIT GUARANTEE RELATING TO
DISCLOSEABLE TRANSACTION**

Reference is made to the announcements of Simplicity Holding Limited (the “**Company**”) dated 4, 6 and 17 August 2021 and 25 August 2022 (the “**Announcements**”) in relation to the discloseable transaction of the Company relating to the acquisition of the entire issued share capital of the Target Company involving the issue of Promissory Note and the Guaranteed Profits. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

In respect of the Guaranteed Profit for the Second Relevant Period, the Vendor has confirmed and agreed that since the Target Group has not recorded any revenue up to the date hereof, it is expected that the Target Group will not record any profit for the Second Relevant Period. Therefore notwithstanding that the Second Relevant Period has not ended, the Actual Profits Before Tax for the Second Relevant Period should be deemed to be zero. The Vendor has paid the Purchaser a compensation equivalent to HK\$40,375,000 being 2.5 times the shortfall of HK\$16,150,000 by way of set off against the outstanding principal amount of the Promissory Note. The Board considered that the compensation and setoff is in accordance with the terms and conditions of the Agreement and is fair and reasonable and in the interest of the Company and its shareholders as a whole.

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

Hong Kong, 30 September 2022

* *For identification purpose only*

As at the date of this announcement, the executive Directors of the Company are Ms. Wong Suet Hing, 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 day of its publication and posting and will be published and remains on the website of the Company at <http://www.simplicityholding.com>.