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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 WARNING

This announcement is made by Simplicity Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined under GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the Board’s preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2019, the Group is expected to record a turnover decreased by approximately 19% year-on-year mainly due to (i) the closure of our four restaurants, namely Shatin La Dolce, Tsuen Wan Grand Avenue, Mongkok Beefst and Mongkok Haha Prawn Mee, as well as the renovation of Ngau Tau Kok Marsino which had suspended its business for 2 months, and (ii) the weak consumer sentiment caused by the social unrest in Hong Kong since late June 2019. Given the challenging and uncertain market conditions on our catering business, the Group is expected to record a further increase in the loss attributable to owners of the Company for the nine months ended 31 December 2019 as compared with that for the corresponding period last year. Based on the latest unaudited consolidated management accounts of the Group, the Group is expected to record a loss and total comprehensive expense of approximately HK\$29.6 million for the nine months ended 31 December 2019.

We will continue to monitor the relevant economic conditions and the ever-changing catering landscape, including cost pressure and the increasing downward pressure of the domestic economy. The Company is still in the process of finalising the consolidated third quarterly financial results of the Group for the nine months ended 31 December 2019. The information contained in this announcement is only based on the Board’s preliminary review of the unaudited consolidated management accounts of the Group for the nine months ended 31 December 2019 and other information currently available, which have not been audited or reviewed by the auditor or the audit committee of the Company and may be subject to adjustments. The Shareholders and potential investors should read carefully the third quarterly results announcement of the Company for the nine months ended 31 December 2019, which is expected to be published in February 2020.

* For identification purpose only

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 6 February 2020

As at the date of this announcement, the executive Directors of the Company are Ms. Wong Suet Hing (Chairlady), Ms. Wong Sau Ting Peony (Chief Executive Officer), Mr. Wong Muk Fai Woody, Mr. Ma Sui Hong and Mr. Wong Chi Chiu Henry; and the independent non-executive Directors of the Company 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>.