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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).

Based on the information currently available and the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2020 by the board of directors (the “**Board**”) of the Company, the Board wishes to inform the shareholders of the Company and potential investors that it is anticipated that the Group would record an increase in loss attributable to owners of the Company by more than 170% for the year ended 31 March 2020, as compared to the loss attributable to the owners of the Company of approximately HK\$16.1 million for the corresponding period in 2019. The anticipated increase in loss was primarily attributable to:

- (i) the impairment loss on property, plant and equipment for three restaurants;
- (ii) the decrease in revenue as affected by the reduction of the number of our restaurants as well as the severe economic downturn as caused by the social instabilities and the coronavirus outbreak;
- (iii) the loss on written-off/disposal of property, plant and equipment due to the closure of our restaurants;
- (iv) staff costs were remained high despite our revenue was dropped; and
- (v) impairment of interest in an associate.

As the Company is still in the process of finalizing the consolidated results of the Group for the year ended 31 March 2020, the information contained in this announcement is only a preliminary assessment by the Board based on the latest information currently available to the Company, and is not based on any data or information which is finalized or reviewed by the audit committee of the Company. Actual financial results of the Group for the year ended 31 March 2020 may be different from what is disclosed in this announcement. The results announcement of the Company for the year ended 31 March 2020 is expected to be published on 23 June 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, 19 June 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>.