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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)

PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the EGM. Pursuant to Rule 17.42A of the GEM Listing Rules, the grant of the New General Mandate is subject to the Independent Shareholders' approval by way of an ordinary resolution at the EGM.

An EGM will be held to consider and, if thought fit, pass an ordinary resolution to approve the grant of the New General Mandate. The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lo Cheuk Fei Jeffrey, Mr. Cheung Hiu Fung and Ms. Ip Sin Nam, will be established to advise the Independent Shareholders on the grant of the New General Mandate. Merdeka has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

A circular containing, among others, information regarding the grant of the New General Mandate, the recommendation from the Independent Board Committee to the Independent Shareholders, and the recommendation from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the grant of the New General Mandate, together with a notice of the EGM will be despatched to the Shareholders as soon as practicable.

PROPOSED REFRESHMENT OF GENERAL MANDATE

The Board proposes to refresh the Existing General Mandate for the Directors to allot, issue and deal with new Shares up to 20% of the issued share capital of the Company as at the date of passing of the relevant resolution at the EGM.

EXISTING GENERAL MANDATE

At the 2024 AGM, the Shareholders approved, among other things, the Existing General Mandate which authorised the Directors to allot, issue and deal with not more than 230,167,939 new Shares, being 20% of the issued share capital of the Company of 1,150,839,695 Shares as at the date of the 2024 AGM.

Reference is made to the announcement of the Company dated 18 November 2024, in relation to the placing of an aggregate of 230,160,000 new Shares under the Existing General Mandate (the “**Placing**”). Following completion of the Placing on 17 December 2024, approximately 99.99% of the Existing General Mandate has been utilised by the Company.

PROPOSED GRANT OF NEW GENERAL MANDATE

As the Existing General Mandate has almost been fully utilised, the Board proposes to convene the EGM at which an ordinary resolution will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the aggregate number of the issued Shares as at the date of passing the relevant resolution at the EGM; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the 2024 AGM.

The Company has not refreshed the Existing General Mandate since the 2024 AGM. The New General Mandate will last until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the annual next general meeting is required by any applicable laws or the Company’s articles of association to be held; and
- (iii) its revocation or variation by an ordinary resolution of the Shareholders in general meeting.

As at the date of this announcement, the Company has 69,049,984 Shares in issue. On the basis that there are no changes in the issued share capital of the Company from the date of this announcement and up to the date of the EGM, the Directors will be authorised to allot and issue up to 13,809,996 new Shares under the New General Mandate, representing 20% of the issued share capital of the Company as at the date of the EGM.

REASONS FOR THE GRANT OF THE NEW GENERAL MANDATE

The Company (together with its subsidiaries) is a casual dining full service restaurant operator and provide aircraft's engine stand repairing and maintenance services in Hong Kong.

As at the date of this announcement, the Company has issued 230,160,000 Shares under the Existing General Mandate, the details of which are set out in the announcements of the Company dated 18 November 2024 and 17 December 2024. Accordingly, approximately 99.99% of the Existing General Mandate has been utilised.

In light of the above, the Directors consider that the refreshment of the Existing General Mandate offers the Company with greater financing flexibility to cope with the funding needs of the Company and enables the Company to respond swiftly to market conditions and investment opportunities should such arise before the next annual general meeting by providing a more efficient process of fund raising and avoiding the uncertainties of not obtaining a specific mandate in a timely fashion. Taking into account the above, the Directors are of the view that the grant of the New General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

The Board considers equity or equity-related financing to be an important avenue of funding resource to the Group since it can reduce the reliance on debt financing, which will increase the debt gearing ratio of and create additional interest paying obligations. The Board will also consider other financing alternatives apart from equity or equity-related financing by utilising the New General Mandate, such as rights issue, open offer or internal cash resources to meet the financial requirements of the Group, if appropriate, taking into consideration of the then financial position, capital structure and cost of funding of the Group as well as the prevailing market condition.

As at the date of this announcement, the Company has no concrete plan or has not entered into any agreement, arrangement, understanding or undertaking in respect of any proposed issue of new Shares under the New General Mandate.

GEM LISTING RULES IMPLICATIONS

Pursuant to Rule 17.42A of the GEM Listing Rules, the proposed refreshment of the Existing General Mandate will be subject to the Independent Shareholders' approval by way of an ordinary resolution at the EGM. Any controlling shareholders and their respective associates, or where there is no controlling shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions to approve the proposed refreshment of the Existing General Mandate.

As at the date of this announcement, to the best knowledge, belief and information of the Directors having made all reasonable enquiries, the Company has no controlling Shareholder and no Director, chief executive of the Company or their respective associate has any interests in Shares. Accordingly no Shareholder is required to abstain from voting in favour of the ordinary resolution regarding the grant of the New General Mandate at the EGM.

EGM

An EGM will be held to consider and, if thought fit, pass an ordinary resolution to approve the grant of the New General Mandate. The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Lo Cheuk Fei Jeffrey, Mr. Cheung Hiu Fung and Ms. Ip Sin Nam, will be established to advise the Independent Shareholders on the grant of the New General Mandate.

Merdeka has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

A circular containing, among others, information regarding the grant of the New General Mandate, the recommendation from the Independent Board Committee to the Independent Shareholders, and the recommendation from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the grant of the New General Mandate, together with a notice of the EGM will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“2024 AGM”	the annual general meeting of the Company held on 30 August 2024
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“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Board”	board of Directors
“Company”	Simplicity Holding Limited, a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on GEM
“controlling shareholder(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Existing General Mandate”	the general mandate granted to the Directors by the resolution of the Shareholders passed at the 2024 AGM to allot, issue and deal with new Shares not exceeding 20% of the issued share capital as at the date of the 2024 AGM
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the New General Mandate by the Independent Shareholders
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors to advise the Independent Shareholders on the proposed grant of the New General Mandate
“Independent Financial Adviser” or “Merdeka”	Merdeka Corporate Finance Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed refreshment of Existing General Mandate

“Independent Shareholders”	Shareholders other than any controlling Shareholders and their associates or, where there are no controlling Shareholders, any Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“New General Mandate”	the new general mandate proposed to be sought at the EGM to authorise the Directors to allot, issue and deal with new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of the relevant resolution
“PRC”	the People’s Republic of China
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Simplicity Holding Limited
Choi Pun Lap
Executive Director and Company Secretary

Hong Kong, 5 February 2025

As at the date of this announcement, the executive Directors of the Company are Mr. Choi Pun Lap and Mr. Leung Wai Tai; and the independent non-executive Directors of the Company are Mr. Lo Cheuk Fei Jeffrey, Mr. Cheung Hiu Fung and Ms. Ip Sin Nam.

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 “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its posting and be posted on the website of the Company at www.simplicityholding.com.

* For identification purpose only