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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 a licensed securities dealer, 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 and the accompanied proxy form to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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,  
REAPPROVAL OF PROPOSED CHANGE OF COMPANY NAME  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING****Independent Financial Adviser to the Independent Board Committee and  
the Independent Shareholder**

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A notice convening the extraordinary general meeting of the Company to be held at Orange Financial Printing Limited, Unit 1103-06, China Building, 29 Queen's Road Central, Central, Hong Kong on Monday, 31 March 2025 at 2:30 p.m., is set out on pages 27 to 30 of this circular. Whether or not you propose to attend the meeting, you are advised to complete the form of proxy attached to the notice of the extraordinary general meeting in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

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## CHARACTERISTICS OF GEM

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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.

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the expressions as stated below will have the following meanings:*

“2024 AGM”	the annual general meeting of the Company held on 30 August 2024
“Announcement”	the announcement of the Company dated 5 February 2025 in relation to the proposed refreshment of the Existing General Mandate
“associates”	has the meaning ascribed to this term under the GEM Listing Rules
“Company”	Simplicity Holding Limited, a company incorporated in the 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
“EGM”	the extraordinary general meeting of the Company to be held at Orange Financial Printing Limited, Unit 1103-06, China Building, 29 Queen’s Road Central, Central, Hong Kong on Monday, 31 March 2025 at 2:30 p.m. to consider and, if thought fit, approve the New General Mandate, the Proposed Change of Company Name and adoption of the English Transliteration Name
“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
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administration Region of the People’s Republic of China
“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
“Latest Practicable Date”	11 March 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“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)”	ordinary share(s) in the share capital of the Company
“Shareholders”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“%”

per cent

*In this circular, references to masculine gender include references to the feminine and neuter gender and references to the singular include references to the plural and vice versa.*

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**LETTER FROM THE BOARD**

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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)**

*Executive Directors:*

Mr. Choi Pun Lap

Mr. Leung Wai Tai

*Independent Non-Executive Directors:*

Mr. Lo Cheuk Fei Jeffrey

Mr. Cheung Hiu Fung

Ms. Ip Sin Nam

*Registered Office:*

Cricket Square,

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

*Principal place of business in Hong Kong:*

35/F, Central Plaza

18 Harbour Road

Wanchai, Hong Kong

14 March 2025

*To Shareholders of the Company*

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE,  
REAPPROVAL OF PROPOSED CHANGE OF COMPANY NAME  
AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide you with information regarding (i) the grant of the New General Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) 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; (iv) the reapproval of the Proposed Change of Company Name and adoption of the English Transliteration Name and (v) a notice of the EGM, at which ordinary

\* For identification purpose only

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## LETTER FROM THE BOARD

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resolutions will be proposed to the Independent Shareholders and Shareholders to consider and, if thought fit, approve the proposed grant of the New General Mandate and reapproval of the Proposed Change of Company Name and adoption of the English Transliteration Name.

### 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.



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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company has 69,049,984 Shares in issue. There are 4,000,000 outstanding share options granted under the Company's share option scheme. On the basis that there are no changes in the issued share capital of the Company from the Latest Practicable Date 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 Group is principally engaged in operating casual dining full service restaurant and providing aircraft's engine stand repairing and maintenance services in Hong Kong.

As at the Latest Practicable Date, 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.

As at 30 September 2024, although the Group had cash of approximately HK\$12.7 million and the current bank loan was approximate HK\$2.0 million, it had net current liabilities of HK\$9.3 million. After the completion of the Placing dated 17 December 2024 and as at 31 January 2025, the Group has cash of approximately HK\$5.8 million. As at 31 January 2025, the Group had other payables and bank borrowing of approximately HK\$10.7 million and HK\$0.8 million respectively to be settled prior to August 2025. Currently, the average monthly expenses of raw materials and consumables used, staff costs, rental and related expenses and utilities expenses are approximately HK\$4.2 million, HK\$1.9 million, HK\$0.2 million and HK\$0.1 million respectively. Although the Group had generated net operating cash inflow position for the six months period ended 30 September 2024, it was mainly due to the increase in trade and other payables. The Group had made a net loss of approximately HK\$10.9 million for the six months period ended 30 September 2024.

Due to the poor performance of the catering business, the Group is expected to incur net loss ranging from approximate HK\$1 million to HK\$1.3 million monthly. It is anticipated that the cash level of the Group would be substantially reduced before the next annual general meeting expected to be held in August 2025 and would be in an unfavourable position to pay its debts and other payables when they fall due. Further, the Group recorded net current liabilities for the six month period ended 30 September 2024 mainly due to the unsatisfactory market condition of the catering industry despite the Group's efforts to impose strict costs control and promote our catering business. The Group anticipates that the catering business will continue to encounter headwinds in the foreseeable future. The Group is committed to conduct the business cautiously and will focus on enhancing our brands and products to satisfy our customers' needs.

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## LETTER FROM THE BOARD

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After considering the current cash position, the debts and other payables and working capital requirements of the Group, and the catering business of the Group has been underperformed in 2024 and early 2025 and loss making during the financial year, the Company needs additional funding for general working capital for the business prior to August 2025.

### **Greater flexibility as compared with issuing shares under specific mandate**

In the context of the dynamic business environment, time is of the essence in terms of securing suitable investment and fundraising opportunities. Therefore, issuing Shares under specific mandate may not be the most suitable fundraising method for the purpose of capturing investment opportunities in a timely manner due to the lengthy formalities associated with holding a general meeting to obtain the Shareholders' approval after the terms of the potential investment opportunities and proposed new Shares issuance are finalized. On the other hand, the grant of the New General Mandate would avoid the uncertainties of not obtaining a specific mandate in a timely fashion and is a more expeditious solution for the Company to respond quickly to market conditions and fundraising opportunities. In addition, whenever an attractive offer for investment in the Shares is received by the Company from potential investors before the next annual general meeting, the Directors will be able to react promptly to such fund-raising opportunities by considering the issue of new Shares under the New General Mandate.

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.

### **Other financing alternatives**

The Board will also consider other financing alternatives apart from equity or equity-related financing by utilizing the New General Mandate, such as debt financing, 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.

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## LETTER FROM THE BOARD

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### *Debt financing*

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 on the Group. In addition, borrowing from financial institutions may be subject to lengthy due diligence and negotiations and less favourable terms as compared with equity-related financing. The terms of the financing facilities available to the Group may depend on the financial institutions' assessment and may require the Company to put up collateral and other securities for such financing facilities. Likewise, bond offering has similar concerns. Under current interest rate hikes, the investors may demand a higher yield from the Company to compensate for the increased cost of borrowing, which can make it more challenging for the Company to secure funding through bond offering.

### **Pre-emptive issues**

In respect of other pre-emptive issues such as rights issue and open offer, despite the fact that it allows existing Shareholders to subscribe for their entitlements and maintain their respective shareholding interests in the Company, it may impose financial burden on the existing Shareholders in uncertain market conditions and the ultimate fund-raising size could not be assured by the Company if conducted on a non-underwritten basis. Even if the Company is successful in procuring an underwriter, the underwriting commission is usually more costly than the placing commission as the obligation of the underwriter is on a fully underwritten basis while that of the placing agent is on a best effort basis, and may not be beneficial to the Company and the Shareholders as a whole. Furthermore, rights issue and open offer generally require preparation of legal documentation and fulfilment of additional administrative procedures, which are more time consuming and less cost effective. The Company may not be able to grasp potential business opportunities in a timely manner.

Taking into account the above, it is more preferable for the Company to issue Share under New General Mandate if the funding size is relatively small to save undue administrative cost and time, which is fair and reasonable and in turn in the interests of the Company and the Shareholder as a whole.

As at the Latest Practicable Date, the Company has not yet formulated any concrete plan or agreement with any party to issue Shares by utilizing the New General Mandate.

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## LETTER FROM THE BOARD

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In view of the above, there may be a need for the Company to utilize the New General Mandate for fundraising purpose by the Company before the annual general meeting to be held in August 2025. By having the New General Mandate, the Company will be actively looking for suitable fundraising activities including but not limited to placing and/or subscription of new Shares and/or convertible securities of the Company.

Taking into account the above, the Directors are of the view that the grant of the New General Mandate provides the Company a flexible tool of financing, which is fair and reasonable and is in the interests of the Company and the Shareholders as a whole. As at the Latest Practicable Date, 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. In case any plans being crystallized, the Company would fulfil the funding needs after balancing its overall capital structure through utilizing its internal resource and/or using suitable financing method. The Company will exercise due and careful consideration when choosing the financing method available.

### FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities in the past 12 month period immediately preceding the Latest Practicable Date:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the Latest Practicable Date</b>
18 November 2024	Placing of new shares under general mandate	Approximately HK\$3.8 million	General working capital of the Group	Approximately HK\$2.8 million used as general working capital. The remaining balance being held as bank deposit and is intended to be fully utilized by the end of April 2025 as general working capital of the Group.

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## LETTER FROM THE BOARD

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### POTENTIAL DILUTION OF SHAREHOLDERS

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilization of the New General Mandate (assuming no other Shares are issued or repurchased by the Company from the Latest Practicable Date up to and including the date when the New General Mandate is utilized in full), for illustrative and reference purpose:

	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate (assuming there is no other change in the shareholding structure of the Company from the Latest Practicable Date)	
	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%
	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%
Wong Sai Cheong ( <i>note</i> )	9,541,984	13.82	9,541,984	11.52
Holder of new shares to be issued under the New General Mandate	0	0.00	13,809,996	16.67
Other public Shareholders	59,508,000	86.18	59,508,000	71.82
<b>Total</b>	<b>69,049,984</b>	<b>100.00</b>	<b>82,859,980</b>	<b>100.00</b>

*Note:* The Shares were held by Mr. Wong Sai Cheong through his controlled corporations as to 4,770,992 Shares by Smarty Task Limited and 4,770,992 Shares by Smarty Gain Limited.

Assuming that (i) the grant of the New General Mandate is approved at the EGM; and (ii) no Shares will be issued and/or repurchased and cancelled from the Latest Practicable Date up to the date of the EGM, upon full utilization of the New General Mandate, 13,809,996 Shares can be issued, which represents 20% and approximately 16.7% of the aggregate number of the issued Shares as at the Latest Practicable Date and the aggregate number of the enlarged issued Shares respectively. The aggregate shareholding of the existing public Shareholders will be diluted from approximately 86.18% as at the Latest Practicable Date to approximately 71.82% upon full utilization of the New General Mandate.

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## LETTER FROM THE BOARD

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### REAPPROVAL OF PROPOSED CHANGE OF COMPANY NAME

Reference is made to the Company's announcements dated 28 June 2024, 30 August 2024 and 15 November 2024 and circular dated 31 July 2024 in relation to the proposed change of the official registered English name of the Company from "Simplicity Holding Limited" to "SM International Group Limited" and to adopt the Chinese name "盛盟國際集團有限公司" as the dual foreign name of the Company (the "**Proposed Change of Company Name**").

According to the Company's Cayman Islands legal advisers, the Registrar of Companies in the Cayman Islands considered that the proposed Chinese name "盛盟國際集團有限公司" is not a direct translation of the English name "SM International Group Limited" and has advised that the English transliteration name of the Chinese name "Sheng Meng International Group Limited" (the "**English Transliteration Name**") should be adopted and would be stated on the certificate of incorporation on change of name in addition to the proposed English name and Chinese name.

In view of the above circumstances, a special resolution will be proposed at the EGM to consider and, if thought fit, re-approve and confirm the Proposed Change of Company Name and adopt the English Transliteration Name.

The Proposed Change of Company Name and adoption of the English Transliteration Name will be subject to the following conditions:

1. the passing of a special resolution by the Shareholders at the EGM to approve the Proposed Change of Company Name and adoption of the English Transliteration Name; and
2. the approval of the Registrar of Companies in the Cayman Islands having been obtained for the Proposed Change of Company Name and adoption of the English Transliteration Name.

Subject to the satisfaction of the conditions set out above, the Proposed Change of Company Name and adoption of the English Transliteration Name will take effect upon the date on which the Registrar of Companies in the Cayman Islands issues a Certificate of Incorporation on Change of Name confirming that the new names have been registered. Thereafter, the Company will carry out the necessary filing procedures with the Companies Registry in Hong Kong. In addition, subject to the confirmation of the Stock Exchange, the English and Chinese stock short names for trading in the Shares will also be changed after the Proposed Change of Company Name and adoption of the English Transliteration Name becomes effective.

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## LETTER FROM THE BOARD

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Should the Proposed Change of Company Name is not approved by Shareholders, the current name of the Company will remain unchanged.

### **Reasons for the Proposed Change of Company Name**

The Board considers that the Proposed Change of Company Name will provide a new corporate identity and image of the Company to the market and the general public which can be beneficial to the Company's future business development. The Board is therefore of the view that the Proposed Change of Company Name and adoption of the English Transliteration Name is in the best interests of the Company and the Shareholders as a whole.

### **Effects on the Proposed Change of Company Name**

The Proposed Change of Company Name and adoption of the English Transliteration Name will not affect any of the rights of the existing Shareholders. All existing share certificates of the Company in issue bearing the current name of the Company will, after the Proposed Change of Company Name and adoption of the English Transliteration Name becoming effective, continue to be evidence of title to the Shares and will continue to be valid for trading, settlement, registration and delivery for the same number of shares in the new name of the Company. There will not be any arrangement for free exchange of the existing share certificates of the Company for new share certificates printed in the new name of the Company. Upon the Proposed Change of Company Name and adoption of the English Transliteration Name becoming effective, any new share certificates will be issued in the new name of the Company.

Further announcement(s) will be made by the Company in relation to the effective date of the Proposed Change of Company Name and adoption of the English Transliteration Name, the new stock short names for trading in the Shares on the Stock Exchange and the new website address of the Company as and when appropriate.

### **EGM**

A notice convening the EGM is set out on pages 27 to 30 of this circular. All resolutions to be proposed at the EGM will be voted on by poll.

A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are advised to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the EGM. The completion and delivery of a form of proxy will not preclude you from attending and voting at the meeting in person.

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## LETTER FROM THE BOARD

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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 Latest Practicable Date, 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. No Shareholder is required to abstain from voting in favour of the special resolution regarding the Proposed Change of Company Name and adoption of the English Transliteration Name at the EGM.

### **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 26 March 2025 to Monday, 31 March 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the EGM, Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 25 March 2025.

### **RECOMMENDATION**

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, has been 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.



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## LETTER FROM THE BOARD

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Your attention is drawn to the letter of advice from Merdeka set out in pages 16 to 26 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the grant of the New General Mandate and the letter from the Independent Board Committee set out in page 15 of this circular which contains its recommendation to the Independent Shareholders in relation to the grant of the New General Mandate.

The Directors (including members of the Independent Board Committee whose views are set out in the letter from the Independent Board Committee in this circular after taking into account the advice of the Independent Financial Adviser) consider that the grant of the New General Mandate is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole, and recommend the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM as set out in the notice of EGM attached to this circular.

The Directors consider that the Proposed Change of Company Name and adoption of the English Transliteration Name is fair and reasonable and is in the best interests of the Company and the Shareholders as a whole, and recommend the Shareholders to vote in favour of the relevant resolution(s) to be proposed at the EGM as set out in the notice of EGM attached to this circular.

### 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.

Yours faithfully,  
On behalf of the Board of  
**Simplicity Holding Limited**  
**Choi Pun Lap**  
*Executive Director*

*The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.*

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**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

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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)**

14 March 2025

*To the Independent Shareholders*

Dear Sir or Madam,

**PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE**

We refer to the circular of the Company to the Shareholders dated 14 March 2025 (the “**Circular**”), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter will have the same meanings as defined in the Circular.

The Independent Board Committee has been established to advise the Independent Shareholders on whether the proposed grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

We wish to draw your attention to the letter from the Board as set out on pages 4 to 14 of the Circular and the letter of advice from Merdeka, the Independent Financial Adviser, appointed to advise the Independent Board Committee and the Independent Shareholders, as set out on pages 16 to 26 of this circular in relation to the proposed grant of the New General Mandate.

Having taken into consideration the factors and reasons as stated in the letter from the Board, and the opinion as stated in the letter of advice from Merdeka, we consider that the proposed grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution(s) to be proposed at the EGM to approve the proposed grant of the New General Mandate.

**Yours faithfully, For and on behalf of  
the Independent Board Committee**

Lo Cheuk Fei Jeffrey

Cheung Hiu Fung

Ip Sin Nam

*Independent non-executive Directors*

\* For identification purpose only

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## LETTER FROM MERDEKA

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*The following is the full text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the refreshment of the Existing General Mandate, which has been prepared for the purpose of incorporation in the Circular.*



Room 1108–1110, 11/F  
Wing On Centre  
111 Connaught Road Central  
Hong Kong

14 March 2025

*To: the Independent Board Committee and the Independent Shareholders of  
Simplicity Holding Limited*

Dear Sir and Madam,

### **PROPOSED REFRESHMENT OF EXISTING GENERAL MANDATE**

#### **INTRODUCTION**

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed refreshment of the Existing General Mandate, details of which are set out in the “Letter from the Board” (the “**Board Letter**”) of the circular (the “**Circular**”) issued by Simplicity Holding Limited (the “**Company**”) to the Shareholders dated 14 March 2025 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

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.

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## LETTER FROM MERDEKA

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### **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 Latest Practicable Date, 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.

### **THE INDEPENDENT BOARD COMMITTEE**

An Independent Board Committee comprising all independent non-executive Directors, namely Mr. Lo Cheuk Fei Jeffrey, Mr. Cheung Hiu Fung and Ms. Ip Sin Nam, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the proposed refreshment of the Existing General Mandate and the transactions contemplated thereunder. We, Merdeka, have been appointed and approved by the Board, as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed refreshment of the Existing General Mandate. In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the GEM Listing Rules, our role is to give you an independent opinion as to whether the proposed refreshment of the Existing General Mandate is in the ordinary and usual course of business of the Group on normal commercial terms, and in the interests of the Company and Independent Shareholders as a whole and whether the proposed refreshment of the Existing General Mandate is fair and reasonable so far as the Independent Shareholders are concerned.

### **OUR INDEPENDENCE**

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. During the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser, save for this appointment as the Independent Financial Adviser in respect of the proposed refreshment of the Existing General Mandate, there were no engagements between the Group or the Shareholders and Merdeka. Apart from normal professional fees paid or

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## LETTER FROM MERDEKA

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payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence.

### **BASIS OF OUR ADVICE**

In formulating our opinion and recommendation, we have relied on the statements, information, opinions and representations contained in or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Company (the “**Management**”). Our review procedures include, among others, review of (i) the annual report of the Company for the year ended 31 March 2024 (the “**Annual Report 2024**”); (ii) the interim report of the Company for the six months ended 30 September 2024 (the “**Interim Report 2024**”); (iii) the announcement of the Company dated 30 August 2024, in relation to the poll results of the 2024 AGM; (iv) the announcements of the Company dated 18 November 2024 and 17 December 2024, in relation to the placing of an aggregate of 230,160,000 new Shares under the Existing General Mandate and the completion of placing; and (v) the Announcement. Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the proposed refreshment of the Existing General Mandate, as referred to in Rule 17.92 of GEM Listing Rules (including the notes thereto). We have also assumed that all statements of belief, opinion and intention made by the Directors and the Management in the Circular were reasonably made after due and careful enquiry and were based on honestly-held opinions.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no omission of other facts that would make any statements in the Circular misleading.

We have no reason to believe that any information and representations relied on by us in forming our opinion is untrue, inaccurate or misleading, nor are we aware of any omission of any material facts that would render the information provided and the representations made to us untrue, inaccurate or misleading. We have not, however, conducted any independent in-depth investigation into the business affairs, financial position or future prospects of the Group, nor have we carried out any independent verification of the information provided by the Directors and the Management.

Our opinion is based on the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. This letter is issued to the Independent Board Committee

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## LETTER FROM MERDEKA

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and the Independent Shareholders, solely in connection for their consideration of the refreshment of the Existing General Mandate, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinions and recommendations in respect of refreshment of the Existing General Mandate, we have taken into account the principal factors and reasons set out below.

#### 1. Background information of the Group

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.

Set out below is a summary of the consolidated financial information of the Group for (i) the year ended 31 March 2023 (“FY2023”) and the year ended 31 March 2024 (“FY2024”) as extracted from the Annual Report 2024; and (ii) the six months ended 30 September 2023 (“2023H1”) and six months ended 30 September 2024 (“2024H1”) as extracted from the Interim Report 2024:

	<b>2024H1</b>	<b>2023H1</b>	<b>FY2024</b>	<b>FY2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>unaudited</i>	<i>unaudited</i>	<i>audited</i>	<i>Audited and restated</i>
Revenue	48,980	50,576	91,852	68,702
— Chinese cuisine	6,123	10,667	18,797	21,937
— Thai cuisine	—	6,957	6,916	15,031
— Malaysian cuisine	5,251	11,797	23,015	23,447
— Food Ingredients and beverage operations	—	786	962	5,473
— Aircraft's engine stand repairing and maintenance services	37,606	20,369	42,162	2,814
Profit/(loss) for the period/the year	(10,889)	(8,962)	8,247	(34,625)

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## LETTER FROM MERDEKA

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	<b>As at 30</b>	<b>As at 31 March</b>	
	<b>September</b>	<b>2024</b>	<b>2023</b>
	<b>2024</b>	<b>2024</b>	<b>2023</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>unaudited</i>	<i>audited</i>	<i>(restated)</i>
	<i>audited</i>	<i>audited</i>	<i>audited</i>
Total assets	85,386	69,713	85,227
Total liabilities	61,831	35,269	71,053
Net assets	23,555	34,444	14,174
Bank balances and cash	12,745	8,530	15,526

### ***FY2024 vs FY2023***

For FY2024, the Group recorded revenue of approximately HK\$91.85 million, representing an increase of approximately 33.70% compared with the same period of the previous financial year of approximately HK\$68.70 million. The increase in revenue was primarily attributed to the business of engineering.

For FY2024, the Group recorded a profit attributable to owners of the Company of approximately HK\$8.25 million, as compared to the loss of approximately HK\$34.63 million for FY2023. The decrease in loss was mainly due to increase in revenue of engineering's business and the increase in fair value gain on reclassification from financial liabilities at fair value through profit or loss to equity.

The Group's total assets and total liabilities as at 31 March 2024 were approximately HK\$69.71 million and HK\$35.27 million respectively. The Group's net assets were approximately HK\$34.44 million as at 31 March 2024, representing an increase of approximately 142.77% as compared to that of approximately HK\$14.17 million as at 31 March 2023. As advised by the Company, the increase in net assets was mainly due to the decrease in financial liabilities at fair value through profit or loss.

The gearing ratio as at 31 March 2024, which is calculated based on the borrowings representing the sum of interest-bearing bank borrowings divided by total equity at the end of the year and multiplied by 100%, was 14.0% (as at 31 March 2023: 32.3% restated).

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## LETTER FROM MERDEKA

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### *2024H1 vs 2023H1*

For 2024H1, the Group recorded revenue of approximately HK\$48.98 million, representing a decrease of approximately 3.16% in comparison to approximately HK\$50.58 million for 2023H1. The decrease in revenue was primarily attributed to the business of catering.

For 2024H1, the Group recorded a loss attributable to owners of the Company of approximately HK\$10.89 million, as compared to the loss of approximately HK\$8.96 million for 2023H1. The increase in loss was mainly due to decrease in revenue of catering's business.

The Group's total assets and total liabilities as at 30 September 2024 were approximately HK\$85.39 million and HK\$61.83 million respectively. The Group's net assets were approximately HK\$23.56 million as at 30 September 2024, representing a decrease of approximately 31.61% as compared to that of approximately HK\$34.44 million as at 31 March 2024. As advised by the Company, such decrease in the net assets was mainly due to the loss incurred from business operations for 2024H1.

The gearing ratio as at 30 September 2024, which is calculated based on the borrowings representing the sum of interest-bearing bank borrowings, divided by total equity at the end of the year and multiplied by 100%, was 16.0% (as at 31 March 2024: 14.0%).

## **2. Reasons for the grant of the New General Mandate**

As advised by the management of the Group, as at the Latest Practicable Date, the Group's major funding needs are for general working capital in its ordinary and usual course of business. As a result of the placing of an aggregate of 230,160,000 new Shares under the Existing General Mandate in 2024, approximately 99.99% of the Existing General Mandate has been utilised by the Company. It is expected that the next annual general meeting of the Company will be held in around August 2025 and the Company will no longer have the flexibility to raise further equity capital for general working capital of the Group and/or promptly meet fund raising opportunities for about 6 months. As such, the Board proposes to seek the approval from the Independent Shareholders to grant the New General Mandate at the EGM to allow the Company to capture any suitable fundraising opportunities in a timely manner to meet its major funding needs prior to the 2025 AGM. As advised by the Management, a large portion of the net proceeds from the Placing have been fully utilised as intended as at the Latest Practicable Date for the Group's general working capital, with a remaining balance of approximately HK\$1 million as at the Latest Practicable Date.



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## LETTER FROM MERDEKA

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As at 30 September 2024, although the Group had cash of approximately HK\$12.7 million and the current bank loan was approximately HK\$2.0 million, it had net current liabilities of HK\$9.3 million. After the completion of the Placing dated 17 December 2024 and as at 31 January 2025, the Group has cash of approximately HK\$5.8 million. As at 31 January 2025, the Group had other payables and bank borrowing of approximately HK\$10.7 million and HK\$0.8 million respectively to be settled prior to August 2025. Currently, the average monthly expenses of raw materials and consumables used, staff costs, rental and related expenses and utilities expenses are approximately HK\$4.2 million, HK\$1.9 million, HK\$0.2 million and HK\$0.1 million respectively.

Although the Group had generated a net operating cash inflow position for the six months ended 30 September 2024, it was mainly due to the increase in trade and other payables. The Group recorded a net loss of approximately HK\$10.9 million for the six months ended 30 September 2024. As highlighted in the Interim Report 2024, trade and other payables rose significantly from approximately HK\$15.6 million in 2023 to approximately HK\$38.1 million as at 30 September 2024.

Based on the Group's financial position as at 30 September 2024, we note that the Group generated a net operating cash inflow for 2024H1. However, as advised by Management, this inflow was primarily driven by an increase in trade and other payables, rather than improved operating performance or stronger revenue collection, which is not a sustainable source of liquidity. Considering that: (i) the Group's bank and cash balances stood at approximately HK\$12.7 million as at 30 September 2024; (ii) the net operating cash inflow for 2024H1 was largely due to working capital adjustments; (iii) the Group's estimated working capital requirement until August 2025 as mentioned above, exceeding its currently available cash resources; and (iv) approximately 99.99% of the Existing General Mandate has already been utilised, with the next annual general meeting only expected around August 2025, the Company has an imminent need to refresh its Existing General Mandate to secure additional funding and maintain financial stability.

As advised by the Management, the Group is currently incurring a net loss for its catering business of approximately HK\$1.0 million to HK\$1.3 million per month, primarily due to the ongoing recession in the catering industry in recent years. And if the business environment of catering industry remains unchanged before the Group's upcoming annual meeting in August 2025, its cash reserves would be significantly reduced, leaving it in a precarious position to meet the debt obligations as they fall due. In addition, the net current liabilities of the Group for 2024H1 are mainly due to posed by the recession in the catering industry. Therefore, the Company will remain cautious in the Group's catering business in the near future. Therefore, having considered the current cash position and the underperformed catering business of the Group, we concur with the Company's view that they need additional funding by way of issuing Share under New General Mandate for general working capital for the business.

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## LETTER FROM MERDEKA

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As mentioned in the Board Letter, 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 the then financial position, capital structure and cost of funding of the Group as well as the prevailing market condition.

In respect of debt financing, it is considered that the debt financing may be subject to lengthy due diligence and negotiations and impose interest burden on the Group. In addition, bank borrowings generally require the security of assets or properties while the Group does not have material assets suitable and available for pledging to secure a substantial amount of bank borrowings. As such, it is not the optimal financial method under prevailing market conditions. Given the time to negotiate with the banks or other lenders and that further debt financing will incur additional interest burden on the Group, we consider debt financing to be comparatively costly, uncertain and time-consuming as compared to equity financing by issuance of new Shares under general mandate for the Group to obtain additional funding.

As regards to pre-emptive fundraising methods such as rights issue or open offer, the Directors consider that they may involve substantial time to complete as compared to equity financing by issuance of new Shares under general mandate. In particular, a rights issue or an open offer normally takes at least five to six weeks, and lengthy discussions with potential commercial underwriters may also be involved. If shareholders' approval is required, it may take over two months, which is primarily due to the time for the issuer to prepare a shareholder's circular and the notice period for the shareholders' meeting. Therefore, it would not allow the Company to satisfy its funding requirements in a timely manner if required. In our view, although both rights issue and open offer would allow the existing Shareholders to subscribe for their entitlements and maintain their respective pro-rata shareholdings in the Company, it may impose financial burden on the existing Shareholders in uncertain market conditions and the ultimate fund-raising size could not be assured by the Company if conducted on a non-underwritten basis. Even if the Company is successful in procuring an underwriter, the high underwriting commission will generally be a burden on the Group as the obligation of the underwriter is on a fully underwritten basis while that of the placing agent is on a best-effort basis, and may not be beneficial to the Company and the Shareholders as a whole. As advised by the Management, based on the reply from one of the securities firms, the Company noted that the underwriting commission rates quoted for the issuance of new shares would be higher than that for a placement. Therefore, despite both underwriting and placement would incur commission expenses to the Group, the commission rate for placing would be more favourable to the Group as compared to an underwriting arrangement.

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## LETTER FROM MERDEKA

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In addition, the discount to market price needed to be offered for subscription would have been higher for a rights issue or open offer, as compared to a share placement, so as to attract the Shareholder to further invest in the Company.

Furthermore, as compared to equity financing by issuance of new Shares under general mandate, issuing Shares under specific mandate would involve extra time from the finalisation of the relevant terms of the fundraising plan, the preparation, printing and despatch of the relevant circular and other documentations, as well as the holding and convening of extraordinary general meeting for each occasion of issue. As compared to obtaining specific mandate, equity financing by issuance of new Shares under general mandate would allow the Company to avoid the uncertainties in such circumstances where the approval for specific mandate may not be obtained in a timely manner.

As at the Latest Practicable Date, 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.

After taking into account the aforementioned, the proposed refreshment of the Existing General Mandate is regarded as an additional option to the Group and provides the Company a greater flexibility and discretion in deciding the most appropriate financing method that meets the Group's future funding and business development plans, prior to the next annual general meeting. Therefore, we concur with the Directors' 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.

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## LETTER FROM MERDEKA

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### 3. Potential dilution of shareholding of the Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilization of the New General Mandate (assuming no other Shares are issued or repurchased by the Company from the Latest Practicable Date up to and including the date when the New General Mandate is utilized in full), for illustrative and reference purpose:

<b>Shareholders</b>	<b>As at the Latest Practicable Date</b>		<b>Upon full utilisation of the New General Mandate (assuming there is no other change in the shareholding structure of the Company from the Latest Practicable Date)</b>	
	<i>No. of</i>		<i>No. of</i>	
	<i>Shares</i>	<i>% (approx.)</i>	<i>Shares</i>	<i>% (approx.)</i>
Wong Sai Cheong ( <i>note</i> )	9,541,984	13.82	9,541,984	11.52
Holder of new shares to be issued under the New General Mandate	0	0.00	13,809,996	16.67
Other public Shareholders	59,508,000	86.18	59,508,000	71.82
<b>Total</b>	<b>69,049,984</b>	<b>100.00</b>	<b>82,859,980</b>	<b>100.00</b>

*Note:* The Shares were held by Mr. Wong Sai Cheong through his controlled corporations as to 4,770,992 Shares by Smarty Task Limited and 4,770,992 Shares by Smarty Gain Limited.

Based on the aforesaid table, we noted that the possible dilution effect to the existing public Shareholders as a result of the full utilization of the New General Mandate would be 16.67%. If considering the completion of Placing and the full utilization of the New General Mandate, the aggregate dilution effect on the minority Shareholders would be approximately 30.56% (based on the aggregate number of the placing shares issued under the Placing and the Shares to be issued under the New General Mandate).

Despite the dilution effect as mentioned above, having considered that (i) the current financial position of the Group; (ii) the cash level of the Group may not be sufficient for its estimated working capital requirements as mentioned under “2. Reasons for the grant of the New General Mandate”; and (iii) the Existing General Mandate has been almost utilized as at the Latest Practicable Date and the next annual general meeting of the Company will be held in around August 2025, we consider the refreshment of Existing General Mandate to be fair and reasonable.

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## LETTER FROM MERDEKA

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### 4. Fund-raising in the past twelve months

Save for equity fund raising activities mentioned below, the Company has not carried out any other equity fund raising activities in the past twelve-month period immediately preceding the date of the Announcement and up to the Latest Practicable Date:

Date of announcement	Fund raising activities	Net proceeds raised	Intended use of proceeds	Actual use of the net proceeds as at the Latest Practicable Date
18 November 2024	Placing of new shares under the Existing General Mandate	HK\$3.8 million	general working capital of the Group	Approximately HK\$2.8 million used as general working capital. The remaining balance being held as bank deposit and is intended to be utilized as general working capital of the Group.

### RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the view that the proposed refreshment of the Existing General Mandate, although is not in the ordinary and usual course of business of the Group, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the EGM approving the proposed refreshment of the Existing General Mandate.

Yours faithfully,  
For and on behalf of  
**Merdeka Corporate Finance Limited**  
**Wallace So**  
*Managing Director*

*Mr. Wallace So is a licensed person registered with the Securities and Futures Commission of Hong Kong, a responsible officer of Merdeka Corporate Finance Limited to carry out type 6 (advising on corporate finance) regulated activity under the SFO and a licensed representative of Merdeka Investment Management Limited to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. Mr. Wallace So has over 14 years of experience in corporate finance industry.*

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN THAT** an extraordinary general meeting of Simplicity Holding Limited (the “**Company**”) will be held at Orange Financial Printing Limited, Unit 1103-06, China Building, 29 Queen’s Road Central, Central, Hong Kong on Monday, 31 March 2025 at 2:30 p.m. to consider and, if thought fit, to pass with or without amendments, the following resolutions:

### ORDINARY RESOLUTIONS

1. “**THAT:**

- (a) the general mandate (the “**Existing General Mandate**”) granted to the directors of the Company (the “**Directors**”) to allot, issue and deal with the unissued shares of the Company pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 30 August 2024 (the “**2024 AGM**”) be and is hereby revoked (without prejudice to any valid exercise of the Existing General Mandate prior to the passing of this resolution); and
- (b) the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company (“**Shares**”) (including any sale or transfer of treasury shares) and to make or grant offers, agreements and options, which would or might require Shares to be allotted, issued or dealt with, whether during or after the end of the Relevant Period be and is hereby generally and unconditionally approved, provided that, otherwise than pursuant: (a) a rights issue where Shares are offered to shareholders (“**Shareholders**”) of the Company on a fixed record date in proportion to their then holdings of Shares in the Company (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in any territory applicable to the Company); or (b) any scrip dividend or similar arrangement providing for the allotment of securities in lieu of the whole or part of a dividend on Shares in accordance with the articles of

\* For identification purpose only

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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association of the Company; or (c) the exercise of subscription rights attaching to share options under any option scheme; or (d) a specific authority granted by the Shareholders in general meeting of the Company, the additional Shares allotted, issued or dealt with (including Shares agreed conditionally or to be allotted, issued or dealt with, whether pursuant to an option or otherwise) shall not in aggregate exceed 20% of the aggregate number of Shares in issue at the date of passing this ordinary resolution and the said approval shall be limited accordingly; and

(c) for the purpose of this ordinary resolution, “Relevant Period” means the period from the passing of this ordinary resolution 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 next annual general meeting is required by any applicable laws or the Company’s articles of association to be held; and

(iii) the revocation or variation of the authority given under this ordinary resolution by an ordinary resolution of the Shareholders in general meeting.”

2. “**THAT** conditional upon the passing of resolution numbered 1 set out above, the general and unconditional mandate granted to the Directors to exercise the powers of the Company to allot, issue or otherwise deal with Shares (including any sale or transfer of treasury shares) pursuant to resolution numbered 1 set out above be and is hereby extended by the addition thereto an amount representing the aggregate number of Shares bought back by the Company under the authority granted pursuant to resolution numbered 5 as set out in the notice convening the 2024 AGM, provided that such amount shall not exceed 10% of the total number of Shares in issue at the date of the 2024 AGM.”

### SPECIAL RESOLUTION

3. “**THAT** subject to and conditional upon the necessary approval of the Registrar of Companies of the Cayman Islands being obtained, the English name of the Company be changed from “Simplicity Holding Limited” to “SM International Group Limited” and the Chinese name “盛盟國際集團有限公司” and the English name “Sheng Meng International Group Limited” be adopted as the dual foreign names of the Company (the “**Change of Company Name**”), and that any one or more of the directors of the Company be and is/are hereby authorized to do all such acts and things and execute

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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all such documents and make all such arrangements as considered necessary or appropriate for the purpose of giving effect to the Change of Company Name.”

By order of the Board  
**Simplicity Holding Limited**  
**Choi Pun Lap**  
*Executive Director*

Hong Kong, 14 March 2025

*Notes:*

1. A member of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association, vote in his stead. A proxy need not be a member of the Company but must be an individual and be present in person at the meeting to represent the member. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each of such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, at the office of Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting, and in such event the instrument appointing a proxy shall be deemed to be revoked.
4. For the purpose of determining shareholders' entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Wednesday, 26 March 2025 to Monday, 31 March 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to be entitled to attend and vote at the meeting, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 25 March 2025.

*As at the date of this notice, 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 notice, 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 notice 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 notice misleading.*



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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*This notice will remain on the Stock Exchange's website at <http://www.hkexnews.hk> on the "Latest Listed Company Information" 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>.*

*\* For identification purposes only*