

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



JS Global Lifestyle Company Limited

JS 环球生活有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1691)

DISCLOSEABLE AND CONNECTED TRANSACTION SHARE PURCHASE AGREEMENTS

SHARE PURCHASE AGREEMENTS

The Board announces that on April 6, 2021, each Seller entered into the Share Purchase Agreement with the Purchaser, respectively, pursuant to which, the Sellers collectively agreed to sell and the Purchaser agreed to purchase the Target Shares representing approximately 16.247% of the total issued shares of Shanghai Lihong as at the date of this announcement, for a total consideration of approximately RMB1,155.61 million.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 5%, but all of the applicable percentage ratios are less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, (i) the Controlling Shareholders Group holds 45.89% of indirect equity interest in the Company collectively; (ii) Shanghai Hezhou is an indirect non-wholly owned subsidiary of Mr. Wang Xuning, an executive Director and one of the controlling shareholders of the Company; (iii) Mr. Cui Jianhua is a supervisor of Joyoung, which is owned as to 50.12% by Shanghai Lihong, as well as a director of Joyoung Water Purification, which is owned as to 90.84% by Joyoung; and (iv) Ms. Tian Deling is a director of Shanghai Lihong. Accordingly, certain members of the Sellers, including each of the members of the Controlling Shareholders Group, Shanghai Hezhou, Mr. Cui Jianhua and Ms. Tian Deling, are connected persons of the Company under Rule 14A.07 of the Listing Rules. Therefore, the Transaction constitutes a connected transaction of the Company, and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

AGM

The Company intends to submit the resolution in relation to the Share Purchase Agreements and the transaction contemplated thereunder to the forthcoming AGM to seek the Independent Shareholders' approval. As the Controlling Shareholders Group indirectly controls the Company through JS Holding, Mr. Wang Xuning, a member of the Controlling Shareholders Group, directly and indirectly through Sol SPC holds the Shares, Ms. Han Run and Ms. Yang Ningning, members of the Controlling Shareholders Group, directly hold the Shares, JS Holding, Sol SPC, Mr. Wang Xuning, Ms. Han Run and Ms. Yang Ningning and their respective associates will abstain from voting with respect to the relevant resolution at the AGM. As at the date of this announcement, to the best knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the relevant resolution.

The Independent Board Committee, comprising of all of the independent non-executive Directors, will be established to advise the Independent Shareholders in relation to the Transaction. The Company has appointed China Tonghai Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the same matters.

A circular containing, among others, (1) details of the Transaction; (2) the letter from the Independent Board Committee to the Independent Shareholders; (3) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (4) a notice convening the AGM is expected to be despatched to Shareholders on or before April 28, 2021.

SHARE PURCHASE AGREEMENTS

The Board announces that on April 6, 2021, each Seller entered into the Share Purchase Agreement with the Purchaser, respectively, pursuant to which, the Sellers collectively agreed to sell and the Purchaser agreed to purchase the Target Shares representing approximately 16.247% of the total issued shares of Shanghai Lihong as at the date of this announcement, for a total consideration of approximately RMB1,155.61 million.

The principal terms of the Share Purchase Agreements are summarized below:

Date

April 6, 2021

Parties

- (1) Sellers: the Controlling Shareholders Group, Shanghai Hezhou and the Other Individual Shareholders; and
- (2) Purchaser: JS Global Trading.

Subject Matter

Target Shares, being approximately 13.604% of equity interest of Shanghai Lihong held by the Controlling Shareholders Group, approximately 0.003% of equity interest of Shanghai Lihong held by Shanghai Hezhou and approximately 2.640% of equity interest of Shanghai Lihong held by the Other Individual Shareholders as at the date of this announcement.

Consideration

The Consideration is approximately RMB1,155.61 million, which is payable by the Purchaser to the Sellers in cash. The Consideration was determined after arm's length negotiations between the parties with reference to, among others, the value of the Target Shares of approximately RMB1,275.64 million as at the valuation reference date of January 31, 2021 as set out in a valuation report (the "**Valuation Report**") based on assets appraisal standards of the PRC prepared by the independent valuer engaged by the Company, namely Shanghai Zhonghua Assets Appraisal Co., Ltd. (上海眾華資產評估有限公司).

Conditions Precedent

The Transaction is conditional upon the satisfaction of, inter alia, the following conditions:

- (i) the passing of the resolution by the Independent Shareholders at the AGM to approve the Share Purchase Agreements and the transactions contemplated thereunder;
- (ii) the completion of the relevant approval, registration and filing procedures with the competent local counterparts of State Administration for Market Regulation, Ministry of Commerce and State Administration of Foreign Exchange with respect to the Share Purchase Agreements and the transactions contemplated thereunder (the "**Approval Procedures**"); and
- (iii) the opening of relevant capital realization accounts by the Sellers to receive their respective purchase price (the "**Seller Accounts**").

Completion

Completion shall take place within 60 business days after completion of the Approval Procedures and the opening of the Seller Accounts or such other time as mutually agreed by the Purchaser and the Sellers. Pursuant to the Share Purchase Agreement entered into by the Purchaser and each Seller, completion of the relevant share transfers is not inter-conditional.

Upon Completion, Shanghai Lihong will be owned as to approximately 99.145% by JS Global Trading and approximately 0.855% by Easy Appliance (Hong Kong) and therefore become an indirect wholly-owned subsidiary of the Company.

Pursuant to the requirements relating to certain loan facilities (the "**Facilities**") granted to the Company and Global Appliance LLC, the Purchaser shall pledge all of the equity interests in Shanghai Lihong it holds to the security agent under the Facilities. Therefore, upon completion of the Transaction, the Target Shares will be pledged by the Purchaser in favour of the security agent under the Facilities as security for the Facilities.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SHARE PURCHASE AGREEMENTS

Reference is made to the section headed “Relationship with our Controlling Shareholders — Potential conflicts of interest and corporate governance measures” of the Prospectus. As disclosed in the Prospectus, upon completion of the then reorganization of the Company, the Controlling Shareholders Group remained to hold approximately 13.604% equity interest in Shanghai Lihong (the “**Remaining Interest**”) due to certain PRC regulatory restrictions and potential burdensome tax payment on the part of the Controlling Shareholders Group. As such, the Company, the Controlling Shareholders Group and Shanghai Lihong, at the time of the proposed listing of the Company, undertook to unwind the Remaining Interest held by the Controlling Shareholders Group as soon as practicable. For the purpose of fulfilling such undertaking, the Company, the Controlling Shareholders Group and Shanghai Lihong, together with the Purchaser, Shanghai Hezhou and Other Individual Shareholders, had commercial negotiations and reached consensus on the terms of the Share Purchase Agreements.

Upon completion of the Transaction, the Company will have full ownership and control over Shanghai Lihong, which enables us to better manage and operate Shanghai Lihong and its subsidiaries (including Joyoung) and enjoy more economic benefits thereof. Further, upon the completion, Shanghai Lihong will cease to be a connected subsidiary of our Company. As a result, the Company and its other subsidiaries are allowed to carry out transactions with Shanghai Lihong in a more direct, efficient and cost-saving way.

The Directors are of the view that the entering of the Share Purchase Agreements has been conducted in the ordinary and usual course of business of the Group on normal commercial terms, and the terms therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON SHANGHAI LIHONG

Shanghai Lihong, an indirect non-wholly owned subsidiary of the Company, is incorporated in the PRC with limited liability. Shanghai Lihong is principally engaged in enterprise management, enterprise management consulting, and other services.

The net profits (both before and after taxation) of Shanghai Lihong for the two financial years immediately preceding the entering into the Share Purchase Agreements are as follows:

	<i>Unit: RMB million</i>	
	For the year ended 31 December 2019 <i>(unaudited)</i>	For the year ended 31 December 2020 <i>(unaudited)</i>
Net profits/(loss) (before taxation)	690.20	1,010.21
Net profits/(loss) (after taxation)	281.72	602.29

As at December 31, 2020, the total asset value and the total net asset value of Shanghai Lihong were approximately RMB10,484.85 million and approximately RMB3,402.03 million, respectively. According to the Valuation Report, the appraised value of the Target Shares was approximately RMB1,275.64 million as of the valuation reference date, i.e. January 31, 2021.

INFORMATION ON THE PARTIES

Information on the Company

The Company is incorporated in the Cayman Islands with limited liability, principally engaged in the provision of small household appliances.

Information on the Purchaser

JS Global Trading is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability. It is principally engaged in investment holding.

Information on the Sellers

(i) Controlling Shareholders Group

The Controlling Shareholders Group is a group of individuals collectively and indirectly holding 45.89% of equity interest in our Company, namely Mr. Wang Xuning, Mr. Zhu Hongtao, Mr. Zhu Zechun, Ms. Yang Ningning, Ms. Huang Shuling, Ms. Han Run, and Mr. Jiang Guangyong.

(ii) Shanghai Hezhou

Shanghai Hezhou is an indirect non-wholly owned subsidiary of Mr. Wang Xuning, an executive Director and one of the controlling shareholders of the Company, incorporated in the PRC with limited liability. It is principally engaged in industrial investment and investment consulting.

(iii) Other Individual Shareholders

Other Individual Shareholders include Mr. Cui Jianhua, a supervisor of Joyoung as well as a director of Joyoung Water Purification, holding approximately 0.586% of the total issued shares of Shanghai Lihong as of the date of this announcement, Ms. Tian Deling, a director of Shanghai Lihong holding approximately 0.165% of the total issued shares of Shanghai Lihong as of the date of this announcement, and other individuals who, to the best of the directors' knowledge, information and belief having made all reasonable enquiries, are Independent Third Parties including Zhang Xiaobin, Liu Mingliang, Shi Lei, Tang Jun, Cai Xiujun, Chen Liang, Li Jinsheng, Xu Yifan, Xu Xinhui, Wang Xiaoru, Wang Bo, Wang Shu'an, Jiang Jinke, Zhu Wanhe, Xu Qingliang and Xing Xiuying.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 5%, but all of the applicable percentage ratios are less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, (i) the Controlling Shareholders Group holds 45.89% of indirect equity interest in the Company collectively; (ii) Shanghai Hezhou is an indirect non-wholly owned subsidiary of Mr. Wang Xuning, an executive Director and one of the controlling shareholders of the Company; (iii) Mr. Cui Jianhua is a supervisor of Joyoung, which is owned as to 50.12% by Shanghai Lihong, as well as a director of Joyoung Water Purification, which is owned as to 90.84% by Joyoung; and (iv) Ms. Tian Deling is a director of Shanghai Lihong. Accordingly, certain members of the Sellers, including each of the members of the Controlling Shareholders Group, Shanghai Hezhou, Mr. Cui Jianhua and Ms. Tian Deling, are connected persons of the Company under Rule 14A.07 of the Listing Rules. Therefore, the Transaction constitutes a connected transaction of the Company, and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given the interest of Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling in the Transaction, Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling abstained from voting at the Board meeting approving the Transaction. Save as disclosed above, none of the Directors have any material interest in the Transaction and none were required to abstain from voting on the relevant Board resolution.

AGM

The Company intends to submit the relevant resolution to the forthcoming AGM to seek Independent Shareholders' approval on the Transaction. As the Controlling Shareholders Group indirectly controls the Company through JS Holding, Mr. Wang Xuning, a member of the Controlling Shareholders Group, directly and indirectly through Sol SPC holds the Shares, Ms. Han Run and Ms. Yang Ningning, members of the Controlling Shareholders Group, directly hold the Shares, JS Holding, Sol SPC, Mr. Wang Xuning, Ms. Han Run and Ms. Yang Ningning and their respective associates will abstain from voting with respect to the relevant resolution at the AGM. As at the date of this announcement, to the best knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the relevant resolution.

The Independent Board Committee, comprising of all of the independent non-executive Directors, will be established to advise the Independent Shareholders in relation to the Transaction. The Company has appointed China Tonghai Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders regarding the same matters.

A circular containing, among others, (1) details of the Transaction; (2) the letter from the Independent Board Committee to the Independent Shareholders; (3) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (4) a notice convening the AGM is expected to be despatched to Shareholders on or before April 28, 2021.

DEFINITIONS

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

“AGM”	the annual general meeting of 2020 to be held by the Company
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	JS Global Lifestyle Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Completion”	completion of the Transaction in accordance with the terms and conditions of the Share Purchase Agreements
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration to be paid by the Purchaser for the transfer of Target Shares under the Share Purchase Agreements
“Controlling Shareholders Group”	a group of individuals collectively and indirectly holding 45.89% of equity interest in the Company, namely Mr. Wang Xuning, Mr. Zhu Hongtao, Mr. Zhu Zechun, Ms. Yang Ningning, Ms. Han Run, Ms. Huang Shuling, and Mr. Jiang Guangyong
“Director(s)”	the director(s) of the Company
“Easy Appliance (Hong Kong)”	Easy Appliance Hong Kong Limited, a company incorporated under the laws of Hong Kong on November 6, 2018 with limited liability, and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the Independent Board Committee of the Company comprising all independent non-executive Directors independent from related matters to advise Independent Shareholders in respect of the Transaction

“Independent Financial Adviser”	China Tonghai Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Transaction
“Independent Shareholders”	Shareholder(s) who is/are not required to abstain from voting on the resolution to be proposed at the AGM to approve the Transaction
“Independent Third Party(ies)”	individual(s) or company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates
“Joyoung”	Joyoung Co., Ltd. (九陽股份有限公司), an indirect non-wholly owned subsidiary of the Company incorporated in the PRC with limited liability, whose A shares are listed on the Shenzhen Stock Exchange (Stock Code: 002242)
“Joyoung Water Purification”	Joyoung Water Purification System Co., Limited, an indirect non-wholly owned subsidiary of the Company incorporated in the PRC with limited liability
“JS Holding”	JS Holding Limited Partnership, an exempted limited partnership registered under the laws of Cayman Islands (formerly known as Hezhou Limited Partnership)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Other Individual Shareholders”	shareholders of Shanghai Lihong other than the Controlling Shareholders Group, Shanghai Hezhou, JS Global Trading and Easy Appliance (Hong Kong), namely Mr. Cui Jianhua, a supervisor of Joyoung as well as a director of Joyoung Water Purification, Ms. Tian Deling, a director of Shanghai Lihong, and other individuals who are Independent Third Parties including Zhang Xiaobin, Liu Mingliang, Shi Lei, Tang Jun, Cai Xiujun, Chen Liang, Li Jinsheng, Xu Yifan, Xu Xinhui, Wang Xiaoru, Wang Bo, Wang Shu’an, Jiang Jinke, Zhu Wanhe, Xu Qingliang and Xing Xiuying
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus of the Company dated December 9, 2019

“Purchaser” or “JS Global Trading”	JS Global Trading HK Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability (formerly known as Sunshine Rise Company Limited)
“RMB”	Renminbi, the lawful currency of the PRC
“Sellers”	the Controlling Shareholders Group, Shanghai Hezhou and the Other Individual Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shanghai Hezhou”	Shanghai Hezhou Investment Co., Ltd (上海合舟投資有限公司), incorporated in the PRC with limited liability and indirectly owned by Mr. Wang Xuning as to 61.85%
“Shanghai Lihong”	Shanghai Lihong Enterprise Management Company Limited (上海力鴻企業管理有限公司), an indirect non-wholly owned subsidiary of the Company incorporated in the PRC with limited liability
“Share(s)”	ordinary share(s) of US\$0.00001 each in the share capital of our Company
“Shareholders(s)”	holder(s) of the Share(s)
“Share Purchase Agreement(s)”	the share purchase agreement dated April 6, 2021 entered into between each Seller and the Purchaser, respectively, and collectively the “Share Purchase Agreements”
“Sol SPC”	Sol Omnibus SPC, a segregated portfolio company incorporated under the laws of Cayman Islands
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Share(s)”	approximately 16.247% equity interests in Shanghai Lihong to be transferred to the Purchaser pursuant to the Share Purchase Agreements
“Transaction”	the acquisition of Target Shares by the Purchaser pursuant to the Share Purchase Agreements

“US\$” the lawful currency of the United States

“%” per cent.

By order of the Board
JS Global Lifestyle Company Limited
Wang Xuning
Chairman

Hong Kong, April 6, 2021

As at the date of this announcement, the Board comprises Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling as executive Directors, Mr. Hui Chi Kin Max, Mr. Stassi Anastas Anastassov and Mr. Mao Wei as non-executive Directors and Dr. Wong Tin Yau Kelvin, Mr. Timothy Roberts Warner and Mr. Yang Xianxiang as independent non-executive Directors.