
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in JS Global Lifestyle Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

(1) ADOPTION OF THE SUBSIDIARY OPTION SCHEME (2) PROPOSED GRANT OF OPTIONS BY JOYOUNG AND (3) NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover shall have the same meanings as those defined in this circular.

A notice convening the Extraordinary General Meeting of JS Global Lifestyle Company Limited to be held at Main Conference Room, 1/F, Administrative Building, Joyoung Innovation Industrial Park, No. 760, Yin Hai Street, Qiantang District, Hangzhou, Zhejiang Province, China on May 28, 2021 at 10:00 a.m. or immediately after the annual general meeting of the Company, whichever is later (and at any adjournment thereof) is set out on pages 30 to 31 of this circular. A form of proxy for use at the Extraordinary General Meeting is also sent to the Shareholders together with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jsgloballife.com).

Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete the accompanying form of proxy 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting (i.e. before May 26, 2021 at 10:00 a.m.) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof if you so desire.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

Measures being taken to try to prevent and control the spread of the Coronavirus at the Extraordinary General Meeting.

- compulsory temperature checks and health declarations
- compulsory wearing of surgical face masks
- maintain proper distance between seats

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue. The Company requires attendees to wear face masks and reminds Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolutions at the EGM as an alternative to attending the EGM in person.

May 12, 2021

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DEFINITIONS

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

“Administrative Measures”	the Administrative Measures on Share Incentives of Listed Companies (《上市公司股權激勵管理辦法》)
“Articles of Association”	the amended and restated memorandum and articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“Branch Share Registrar”	Tricor Investor Services Limited, the branch share registrar of the Company in Hong Kong
“Company”	JS Global Lifestyle Company Limited, an exempted company incorporated in the Cayman Islands with limited liability on July 26, 2018, the shares of which are listed on the Stock Exchange
“Company Law”	the Company Law of the PRC
“CSRC”	China Securities Regulatory Commission
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“date of the announcement of the Subsidiary Option Scheme”	April 1, 2021, being the date of the respective announcement published on the Shenzhen Stock Exchange after the date of Subsidiary Board’s provisional approval of the adoption of Subsidiary Option Scheme
“Date of Grant”	the date on which Options are granted to Eligible Persons under the Subsidiary Option Scheme, which must be a trading day of Shenzhen Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be convened and held at Main Conference Room, 1/F, Administrative Building, Joyoung Innovation Industrial Park, No. 760, Yinhai Street, Qiantang District, Hangzhou, Zhejiang Province, China, on May 28, 2021 at 10:00 a.m. or immediately after the annual general meeting of the Company, whichever is later; or any adjournment thereof, to consider and, if thought fit, approve the resolutions contained in the notice of the Extraordinary General Meeting which is set out on pages 30 to 31 of this circular
“Eligible Person(s)”	the person to be granted Option(s) under the Subsidiary Option Scheme

DEFINITIONS

“Exercise Condition(s)”	the conditions required to be satisfied by the Eligible Person to exercise the Options under the Subsidiary Option Scheme
“Exercise Date”	the date on which an Eligible Person is entitled to exercise an Option, which must be a trading day of Shenzhen Stock Exchange, for details, please refer to the section headed “(ii) Exercise Arrangement” in the circular
“Exercise Price”	the price per Subsidiary Share at which an Eligible Person may subscribe for the Subsidiary Shares on the exercise of an Option
“First Grant”	the proposed first grant of not more than 15,600,000 Options to the Grantees pursuant to the Subsidiary Option Scheme
“Grant”	a total of 18,000,000 Options proposed to be granted by Joyoung to the Eligible Persons under the Subsidiary Option Scheme
“Grantee(s)”	means any Eligible Person who accepts the Grant in accordance with the terms of the Subsidiary Option Scheme
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joyoung”	Joyoung Co., Ltd. (九陽股份有限公司), a company incorporated in the PRC on July 8, 2002, whose shares are listed on the Shenzhen Stock Exchange and is a subsidiary of the Company
“Latest Practicable Date”	May 7, 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Date”	December 18, 2019, being the date of the listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Measurement Date”	April 29, 2021, being the date for ascertaining the fair value of the Options from time to time
“Mr. David William Stevenson”	one of the core connected persons (as defined under the Listing Rules) for his directorships held in certain subsidiaries of the Company
“Mr. Mark Adam Barrocas”	one of the core connected persons (as defined under the Listing Rules) for his chief executive positions held in certain subsidiaries of the Company
“Mr. Matthew Broadway”	one of the core connected persons (as defined under the Listing Rules) for his directorships held in certain subsidiaries of the Company

DEFINITIONS

“Mr. Pedro Lopez Baldrich”	one of the core connected persons (as defined under the Listing Rules) for his directorship held in a subsidiary of the Company
“Mr. Shan Minqi”	one of the core connected persons (as defined under the Listing Rules) for his directorship held in a subsidiary of the Company
“Option(s)”	the right to be granted to Grantee(s) to acquire certain number of A Shares of Joyoung at a pre-determined price in a particular period of time in the future and subject to certain conditions under the Subsidiary Option Scheme
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Reserved Grant”	the proposed reserved grant of not more than 2,400,000 Options to the Grantees pursuant to the Subsidiary Option Scheme
“Securities Law”	the Securities Law of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Subsidiary Board”	the board of directors of Joyoung
“Subsidiary Option Scheme” or “Scheme”	the proposed share option incentive scheme of Joyoung
“Subsidiary Share(s)”	the share(s) of Joyoung
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers as amended from time to time
“Validity Period”	refers to the Subsidiary Option Scheme's validity period, commencing from the Date of Grant and end on the date on which all the Options granted to the Grantees under the Subsidiary Option Scheme have been exercised or cancelled, and shall not be longer than 48 months
“Vesting Period(s)”	the period(s) from the date on which the registration of the grant of Options are completed to the Exercise Date of the Options
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Wang Xuning
Han Run
Huang Shuling

Non-executive Directors:

Hui Chi Kin Max
Stassi Anastas Anastassov
Mao Wei

Independent Non-executive Directors:

Wong Tin Yau Kelvin
Timothy Roberts Warner
Yang Xianxiang

Registered Office:

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Head Office and Principal Place of Business:

21/F
238 Des Voeux Road Central
Sheung Wan
Hong Kong

Principle Place of Business in Hong Kong:

21/F
238 Des Voeux Road Central
Sheung Wan
Hong Kong

May 12, 2021

To the Shareholders

Dear Sir/Madam,

**(1) ADOPTION OF THE SUBSIDIARY OPTION SCHEME
(2) PROPOSED GRANT OF OPTIONS BY JOYOUNG
AND
(3) NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with relevant details for you to make informed decision regarding, among others, the following ordinary resolutions proposed for voting in respect of the adoption of the Subsidiary Option Scheme and the proposed grant of Options under the Subsidiary Option Scheme.

LETTER FROM THE BOARD

2. ADOPTION OF THE SUBSIDIARY OPTION SCHEME

At the EGM, an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, approve and adopt the Subsidiary Option Scheme.

Joyoung is an indirect non-wholly owned subsidiary of the Company incorporated in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 002242). It is principally engaged in the manufacture and sale of home appliance products, housing leasing, advertising and consultancy.

The purposes of the Subsidiary Option Scheme are to further improving the corporate governance structure of Joyoung, establishing and enhancing the long-term incentive and constraint mechanism of Joyoung, attracting and retaining talents, fully mobilizing the proactiveness and creativities of the core cadres of Joyoung, effectively promoting the cohesiveness of the core team and the core competitiveness of the enterprise, effectively aligning the interests of shareholders, Joyoung and the core team of Joyoung, enabling all parties to focus on the long-term development of Joyoung, and ensuring the achievement of the development strategies and operation objectives of Joyoung.

The Subsidiary Option Scheme will constitute a share option scheme under Chapter 17 of the Listing Rules, and the adoption of the Subsidiary Share Option Scheme shall take effect subject to and conditional upon (i) the approval of the shareholders of Joyoung; (ii) the approval by the Subsidiary Board; and (iii) the approval of the Shareholders at the EGM to be convened for the purpose of considering and, if thought fit, approving, among other things, the adoption of the Subsidiary Option Scheme. The Subsidiary Board and the shareholders of Joyoung have provisionally approved the adoption of the Subsidiary Option Scheme on March 31, 2021 and April 16, 2021, respectively. There was not other share option scheme put in place by the Group as at the Latest Practicable Date.

The shares to be issued upon an exercise of the Options granted under the Subsidiary Option Scheme will be the listed shares in Joyoung on the Shenzhen Stock Exchange, not the Company's Shares listed on the Main Board of the Stock Exchange.

Except that the grant of the Options shall be approved by the remuneration committee of the Company for grantees who are also senior management of the Company, the Subsidiary Option Scheme shall be subject to the administration of the Subsidiary Board and the remuneration committee of Joyoung. No trustee will be appointed under the Subsidiary Option Scheme. In particular, none of the Directors is and will be the trustee of the Subsidiary Option Scheme or has a direct or indirect interest in any such trustee.

Unless otherwise approved by the Shareholders, the maximum number of shares of Joyoung in respect of which Options may be granted under the Subsidiary Option Scheme shall not in aggregate exceed 10% of the total number of shares of Joyoung in issue on the date of approval of the Subsidiary Option Scheme at the EGM by the Shareholders. As at the Latest Practicable Date, Joyoung has a registered capital of RMB767,169,000. Assuming that there is no change in the registered capital of Joyoung between the Latest Practicable Date and the date of the EGM, the total equity capital which may be issued upon exercise of all Options to be granted under the Subsidiary Option Scheme would be 18,000,000 shares of Joyoung, which represents 2.35% of the total number of shares of Joyoung in issue on the date of approval of the Subsidiary Option Scheme at the EGM by the Shareholders.

LETTER FROM THE BOARD

Value of the Options

A. Accounting Treatment Method

(i) *Date of Grant*

Since Options cannot be exercised on the Date of Grant, no related accounting treatment is required. Joyoung will use the Black-Scholes model to determine the fair value of the Options on the Date of Grant.

(ii) *Vesting Period*

On each balance sheet date within the Vesting Period, Joyoung shall recognize the relevant costs by taking into account the fair value of the equity instruments on the Date of Grant, the exercise ratio of the Options during each period and the services acquired from the employees, and recognize such owner's equity under "Capital Reserve — Other Capital Reserve" based on the best estimate of the number of exercisable Options and confirm no subsequent changes shall be made on the fair value.

(iii) *Accounting treatment after the Exercise Date*

No adjustment shall be made to the confirmed costs and total owner's equity.

(iv) *Exercise Date*

If the Exercise Conditions are met on the Exercise Date, the Options can be exercised and carried forward to the "Capital Reserve — Other Capital Reserve" recognized on each balance sheet date before the Exercise Date; if all or part of the Options become invalid or are cancelled due to failure to exercise, the Options shall be cancelled by Joyoung and reduce the owner's equity.

(v) *Fair value and determination of the Options*

In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11 — Share-based Payments (《企業會計準則第11號 — 股份支付》) and the Accounting Standards for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments (《企業會計準則第22號 — 金融工具確認和計量》), Joyoung uses the Black-Scholes model as the pricing model, and Joyoung uses this model to estimate on the fair value of the Options granted based on April 29, 2021 (official calculation will be conducted at the time of Grant). The specific parameters are selected as follows:

- a. Price of shares of Joyoung: RMB33.45 per share (being the closing price of the Subsidiary Shares as of the Measurement Date)
- b. Validity Period: 1 year, 2 years and 3 years, respectively (period commencing from the Date of Grant and ending on the first date of exercise for each respective period)
- c. Historical price volatility rate: 21.28%, 23.24% and 23.83% (based on the recent one-year, two-year and three-year annualized volatility rate of the SSE SME Composite Index)
- d. Risk-free interest rate: 1.50%, 2.10% and 2.75% (based on one-year, two-year and three-year RMB deposit benchmark interest rate, respectively, of financial institutions published by the People's Bank of China)

LETTER FROM THE BOARD

As of the Measurement Date, the fair value of the Options under the First Grant is RMB197,631,800 based on the foregoing calculation.

B. Expected impact of the implementation of Options on operating performance in each period

Joyoung shall grant 15,600,000 Options to the Eligible Persons for the First Grant of Options. The fair value of the Options on the Date of Grant was estimated based on the data as of the Measurement Date. Such total fair value will be recognized in stages during the implementation of the Subsidiary Option Scheme by Joyoung in accordance with the exercise ratio, and will be charged to the recurring profit or loss. According to the requirements of the accounting standards, the specific amount shall be subject to the fair value of the Subsidiary Shares calculated on the actual Date of Grant. Assuming that Joyoung shall grant Options in May 2021, where all the granted Eligible Persons meet the Exercise Conditions specified in the Subsidiary Option Scheme and the relevant Options have been exercised during respective exercise periods, the amortization of Share Options costs from 2021 to 2024 is as follows:

Amortized costs of Options <i>(in RMB'000)</i>	2021 <i>(in RMB'000)</i>	2022 <i>(in RMB'000)</i>	2023 <i>(in RMB'000)</i>	2024 <i>(in RMB'000)</i>
197,631.8	83,321.5	75,766.5	31,380.1	7,163.6

The costs of the Subsidiary Option Scheme shall be charged to the costs and expenses. Based on current information, Joyoung estimates that without considering the positive effect of the Subsidiary Option Scheme on the performance of Joyoung, the amortization of the costs of the Subsidiary Option Scheme will have an impact on the net profit each year within the Validity Period, but the impact is not significant. Taking into account the positive effect of the Subsidiary Option Scheme on the operation and development of Joyoung, which stimulates the enthusiasm of management and business teams, improves operating efficiency and reduces operating costs. The improvement in business performance of Joyoung brought by the Subsidiary Option Scheme will be higher than the increase in costs caused by it.

The above is only an estimation of the final accounting cost. The final accounting cost is related to, among other things, the actual cost, the exercise price of the Options, the actual Date of Grant, the closing price of the shares of Joyoung on the Date of Grant, the actual number of granted Options and the actual exercisable Options. Shareholders shall pay attention to the possible amortization effects caused by the above costs of Options. All impacts on Joyoung's operating results will not be determined until the annual financial accounts are prepared and reviewed by the auditors of Joyoung. Shareholders should be aware that any calculation of the value of Options as at the Measurement Date is uncertain based on multiple assumptions and is subject to the limitations of the Black-Scholes model.

The Company will comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the Subsidiary Option Scheme. The issue of Subsidiary Shares under the Subsidiary Option Scheme will constitute a deemed disposal of the Company of its equity interest in Joyoung under Chapter 14 of the Listing Rules. As at the Latest Practicable Date, the highest applicable percentage ratio applied in accordance with Rule 14.07 of Listing Rules in respect of the issuance of the maximum equity capital allowed to be granted pursuant to the Subsidiary Option Scheme is less than 5%, which does not constitute a discloseable transaction under Chapter 14 of the Listing Rules.

A summary of the principal terms of the Subsidiary Option Scheme is set out in Appendix I to this circular. A copy of the Subsidiary Option Scheme will be available for inspection at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, during normal business hours from the date hereof up to and including the date of the EGM and will be available for inspection at the EGM.

LETTER FROM THE BOARD

3. PROPOSED GRANT OF OPTIONS PURSUANT TO THE SUBSIDIARY OPTION SCHEME

The Subsidiary Board proposed to grant Options under the Subsidiary Option Scheme that are entitled to subscribe for 18,000,000 shares in Joyoung to the following proposed Eligible Persons, including but not limited to directors, senior management and key business personnel, representing approximately 2.35% of all the shares of Joyoung in issue as at the Latest Practicable Date:

Name of the Eligible Person	Position of the Eligible Person	Number of Options to be granted	Percentage of number of Options to be granted to the Eligible Persons to the total number of Options under the Subsidiary Option Scheme	Percentage of underlying A shares to be granted to the total number of share capital of Joyoung as at the Latest Practicable Date
Ms. Han Run	Vice chairman of Joyoung and executive Director of the Company	900,000	5.00%	0.12%
Ms. Huang Shuling	Executive Director of the Company	300,000	1.67%	0.04%
Ms. Yang Ningning	Director and general manager of Joyoung	1,500,000	8.33%	0.20%
Mr. Jiang Guangyong	Director of Joyoung	300,000	1.67%	0.04%
Mr. Qiu Jiandiao	Chief financial officer of Joyoung	300,000	1.67%	0.04%
Other key personnel ⁽¹⁾ (102 in total)	—	12,300,000	68.33%	1.60%
Options under the Reserved Grant ⁽²⁾	—	2,400,000	13.33%	0.31%
Total	—	18,000,000	100%^(Note 3)	2.35%^(Note 3)

Notes:

- (1) Other key personnel mainly comprises of the core mid-level management members, core technology research and development personnel and core marketing and sales personnel of Joyoung. The 102 other key personnel are all core key members of Joyoung and its subsidiaries (but excluding any independent directors, supervisors, shareholders or de facto controllers who individually or jointly hold shares representing 5% of shares of Joyoung or above, and their spouse, parents and children), being official employees engaged by Joyoung and/or its subsidiaries through labor contract or employment contract during the assessment period of the Subsidiary Option Scheme.
- (2) The grantees and the number of entitled Options under the Reserved Grant have not yet been determined. Nevertheless, the remuneration committee of Joyoung shall prepare a list of those who fall under the scope of the Eligible Persons of the Subsidiary Option Scheme and the list shall be reviewed and confirmed by the supervisory committee of Joyoung. Also, the Reserved Grant will not be granted to any of the directors, chief executives, substantial shareholders or any of their respective associates of the Company. In addition, the Reserved Grant intends to be reserved for the current and future employees of Joyoung, excluding the proposed grantees as disclosed on the foregoing table, in order to enhance their work performance and act as an incentive to potential talents to join the Group.

LETTER FROM THE BOARD

- (3) Some figures shown as totals herein may not be an arithmetic aggregation of the figures preceding them due to rounding adjustments.

In compliance with Rule 17.04(1) of the Listing Rules, the grants of the Options to Ms. Han Run and Ms. Huang Shuling have been approved by the independent non-executive Directors. Save as disclosed above, none of the proposed Eligible Persons is a director, chief executive or substantial shareholder of the Company, or any of their respective associates.

The total number of shares of Joyoung to be granted under the Subsidiary Option Scheme to any one of the above Eligible Persons during the Validity Period will not exceed 1.00% of the total share capital of Joyoung. The Options under the Reserved Grant shall not exceed 20.00% of the total Options available under the Subsidiary Option Scheme. If the Eligible Persons voluntarily waive the benefits granted due to personal reasons, the Subsidiary Board shall make corresponding adjustments to the number of Options granted.

Details of the proposed Grant are set out as follows:

Number of shares in respect of the Options to be granted	:	18,000,000
Exercise Price	:	RMB21.99
Validity Period	:	The Validity Period of the Subsidiary Option Scheme shall commence from the Date of Grant and end on the date on which all the Options granted to the Grantees under the Subsidiary Option Scheme have been exercised or cancelled, and shall not be longer than 48 months.

The Options do not carry any right to vote in general meeting of the Company, nor any dividend, transfer or any other rights, including those arising on liquidation of the Company.

As of the Latest Practicable Date, other than the Options proposed to be granted to Ms. Han Run and Ms. Yang Ningning for the subscription of 2,400,000 shares of Joyoung (representing 0.32% of all shares of Joyoung as of the Latest Practicable Date), no other share options under Chapter 17 of the Listing Rules entitled to subscribe for Subsidiary Shares were granted to Ms. Han Run or Ms. Yang Ningning within the 12-month period prior to the Latest Practicable Date. As at the Latest Practicable Date, no other share option had been granted to the Eligible Persons in the past 12-months.

Reasons for the Grants

In determining the number of Options proposed to be granted to each of Ms. Han Run, Ms. Huang Shuling, Ms. Yang Ningning and Mr. Qiu Jianqiao, the remuneration committee of the Company (the “**Remuneration Committee**”) considered factors such as time commitment and responsibilities of the Directors and senior management, employment conditions elsewhere in the Company and desirability of performance-based remuneration. Furthermore, the remuneration policies for the Directors and senior management are having regard to the Company’s operating results, individual performance and prevailing market condition.

LETTER FROM THE BOARD

The proposed Grant reflects the level of commitment and value for the respective positions of Ms. Han Run, Ms. Huang Shuling, Ms. Yang Ningning, Mr. Qiu Jianqiao and Mr. Jiang Guangyong. Ms. Han is currently the vice chairman of Joyoung and executive Director of the Company, and one of the founders of the Group. With number of years of leading Joyoung and the Group to excellent business milestones, Ms. Han provides directions for the effectiveness of business and operations making treasured contributions to the Group. Also, Ms. Huang is currently the executive Director of the Company and one of the founders of the Group. Under the outstanding leadership of Ms. Han and Ms. Huang, the Group's financial performance has been growing robustly over the years since the Listing Date and the Group's net profit for year ended December 31, 2020 substantially increased by 372.2% to US\$402.3 million from the same period of last year. This has laid a solid foundation for the financial strength of the Group, providing ample resources for the Group to advance to the next level. Ms. Han's and Ms. Huang's remarkable performance and contributions as a whole benefit the Group and provide a core momentum to increase value for the Company, which are also in the interests of the Shareholders.

Meanwhile, Ms. Yang is the director and general manager of Joyoung. Furthermore, Mr. Qiu Jianqiao is currently the Chief Financial Officer of Joyoung. Both of them are responsible for, among other responsibilities, the expansion strategies and business innovations of Joyoung. Under the outstanding leadership of Ms. Yang and Mr. Qiu, Joyoung's business has been growing steadily and contributing substantial amount of revenue to the Group over the years. Taking into account that (i) the contribution of Ms. Han, Ms. Huang, Ms. Yang and Mr. Qiu to the Group was significant; (ii) the stability of key personnel is crucial to the further development of the Group; and (iii) the dilution effect of the proposed Grant to Joyoung is insignificant, the Remuneration Committee is of the view that the Proposed Grant is a part of the remuneration packages and an incentive to encourage the senior management members for their continued investments and contributions to the Group in the future, and the proposed Grant is in line with the Company's remuneration policies and, therefore, the Remuneration Committee has recommended the Board to approve the proposed Grant.

Furthermore, Mr. Jiang Guangyong is currently the director of Joyoung, and is concurrently serving as the executive director and general manager of various subsidiaries of Joyoung. Mr. Jiang is mainly responsible for daily operation and management of Joyoung's operating subsidiaries. In addition, provided that the 102 other key personnel are holding key positions and responsible for the main key departments of Joyoung and its subsidiaries, they would play a key role and exert significant influence to Joyoung in terms of achieving its business objectives. In view of the above, the proposed Grant is considered to be in the interests of the Company and the Shareholders as a whole.

In compliance with Rule 17.05 of the Listing Rules, the Company will not grant any Options after inside information has come to its knowledge until (and including) the trading day after it has announced the information. In particular, the Company will not grant any Options during the period commencing one month immediately before the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

LETTER FROM THE BOARD

Listing Rules Implications

Pursuant to Rule 17.04(1) of the Listing Rules, any grant of Options of the Company or any of its subsidiaries to a substantial Shareholder or an independent non-executive director, or any of their respective associates, which would result in the Subsidiary Shares in issue and to be issued upon exercise of all share options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the shares of Joyoung in issue; and (ii) having an aggregate value in excess of HK\$5 million, such grant of share options must be approved by the independent Shareholders in general meeting.

Given that the total number of shares of Joyoung to be issued upon exercise of the options offered to be granted to Ms. Han Run and Ms. Yang Ningning, who are both controlling shareholders (as defined under the Listing Rules) of the Company, each represents in aggregate over 0.1% of the Subsidiary Shares in issue and has an aggregate value in excess of HK\$5 million, pursuant to the Listing Rules, the grant of the Options to Ms. Han Run and Ms. Yang Ningning is conditional upon the approval by the independent Shareholders at the Extraordinary General Meeting.

4. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from May 25, 2021 to May 28, 2021 (both days inclusive), during which period no transfer of Shares will be registered. In order to determine the identity of members who are entitled to attend and vote at the Extraordinary General Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on May 24, 2021.

5. EXTRAORDINARY GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Extraordinary General Meeting is set out on pages 30 to 31 of this circular.

Pursuant to Rule 13.39(4) of the Listing Rules and Article 13.5 of the Articles of Association, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the Extraordinary General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Extraordinary General Meeting is sent to the Shareholders together with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jsgloballife.com). Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Branch Share Registrar, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting (i.e. before May 26, 2021 at 10:00 a.m.) or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Extraordinary General Meeting if you so desire.

Proposed Grantees under the Subsidiary Option Scheme and their close associates shall be required to abstain from voting in respect of the relevant resolutions to be proposed at the EGM under the Listing Rules to approve the adoption of the Subsidiary Option Scheme. As at the Latest Practicable Date, Ms. Han Run, Ms. Huang Shuling, Mr. Jiang Guangyong and Ms. Yang Ningning jointly held 1,603,578,331 Shares

LETTER FROM THE BOARD

(representing approximately 45.89% of the Shares in issue as at the Latest Practicable Date) through JS Holding Limited Partnership (“**JS Holding**”), which is one of the controlling shareholders of the Company. Also, each of Ms. Han Run and Ms. Yang Ningning was directly and beneficially interested in 11,329,472 and 11,329,472 Shares, respectively (representing approximately 0.32% and 0.32% of the Shares in issue as at the Latest Practicable Date, respectively).

Also, Ms. Han Run and Ms. Yang Ningning, each of their associates and all core connected persons (as defined under the Listing Rules) shall abstain from voting in favor of the proposed grants of the Options to Ms. Han and Ms. Yang, respectively. To the extent it is aware by the Board having made all reasonable enquires, Mr. Wang Xuning, Ms. Han Run, Ms. Yang Ningning, Mr. Mark Adam Barrocas, Mr. Matthew Broadway, Mr. David William Stevenson, Mr. Pedro Lopez Baldrich, Mr. Shan Minqi, JS Holding and Sol Omnibus SPC and their respective close associates were core connected persons of the Company, with totaling 2,175,071,318 Shares in issue, representing approximately 62.24% of the aggregate number of issued Shares as at the Latest Practicable Date, and shall therefore be abstained from voting in favour for the proposed grants of the Options to Ms. Han and Ms. Yang.

To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, save as aforementioned, none of the Shareholders is required to abstain from voting in respect of any of the resolutions to be proposed at the EGM under the Listing Rules.

As at the Latest Practicable Date, none of the Shareholders who were required to abstain from voting in favour of the resolution(s) have given the Company notice of their intention to vote against the resolution(s) at the EGM.

6. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the ordinary resolutions proposed at the Extraordinary General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of such resolutions to be proposed at the Extraordinary General Meeting.

Ms. Han Run and Ms. Huang Shuling, both being executive Directors, who are Eligible Persons of the First Grant, have abstained from voting on the relevant Board resolutions to approve the Subsidiary Option Scheme and the related matters. Mr. Wang Xuning, being the Chairman and executive Director of the Company, has also abstained from voting on the relevant Board resolutions to approve the Subsidiary Option Scheme and the related matters for his potential conflict of interest due to his indirect shareholding held in Joyoung as of the Latest Practicable Date. Save as disclosed above, none of the Directors has a material interest in the Subsidiary Option Scheme and the related matters and is required to abstain from voting on the relevant Board resolutions.

7. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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.

LETTER FROM THE BOARD

8. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

The following is a summary of the principal terms of the Subsidiary Option Scheme (the “**Scheme**”):

1. PURPOSE OF THE SCHEME

The Scheme aims at further improving the corporate governance structure of Joyoung, establishing and enhancing the long-term incentive and constraint mechanism of Joyoung, attracting and retaining talents, fully mobilizing the proactiveness and creativities of the core cadres of Joyoung, effectively promoting the cohesiveness of the core team and the core competitiveness of the enterprise, effectively aligning the interests of shareholders, Joyoung and the core team of Joyoung, enabling all parties to focus on the long-term development of Joyoung, and ensuring the achievements of the development strategies and operation objectives of Joyoung, the Scheme is made on the premise of fully protecting the interests of shareholders and on the principle of income equivalent to contribution, and formulated in accordance with the requirements under the relevant laws, regulations and normative documents including the Company Law, the Securities Law and the Administrative Measures, as well as the requirements under the Articles of Association of Joyoung.

2. BASIS FOR DETERMINING THE ELIGIBLE PERSONS AND THE SCOPE OF ELIGIBLE PERSONS

(i) Basis for determining the Eligible Persons

Eligible persons of the Scheme are determined in accordance with the requirements of relevant laws, administrative regulations and normative documents including the Company Law, the Securities Law and the Administrative Measures, as well as the requirements under the Articles of Association of Joyoung with reference to the actual situations of Joyoung.

Eligible persons of the Scheme are the directors, senior management and core management members of Joyoung (including its subsidiaries) (the “**Eligible Person(s)**”). The remuneration committee of Joyoung shall prepare a list of those who fall under the scope of the Eligible Persons of the Scheme and the list shall be reviewed and confirmed by the supervisory committee of Joyoung.

(ii) Scope of Eligible Persons

The Scheme involves a total of 107 Eligible Persons, including directors, senior management and core management members (but excluding any independent directors, supervisors, shareholders or de facto controllers which individually or jointly hold shares representing 5% of shares of Joyoung or above, and their spouse, parents and children).

In addition, persons cannot be Eligible Persons under the Scheme, if they:

- a. have been declared an inappropriate candidate by the Shenzhen Stock Exchange in the past 12 months;
- b. have been declared an inappropriate candidate by the CSRC or its delegated agencies in the past 12 months;
- c. have been imposed with administrative penalties or prohibited from market entry by the CSRC or its delegated agencies in the past 12 months owing to material violations of laws and regulations;

- d. have been prohibited from acting as a director or a member of the senior management of a company under the Company Law;
- e. have been prohibited from participation in the share incentive schemes of listed companies under laws and regulations; and
- f. fall within other circumstances as determined by the CSRC.

In case the Eligible Person has any of the circumstances specified above during the implementation of the Scheme, his or her right of participating in the Scheme shall be terminated and the Options granted to him or her which have not been exercised shall be cancelled by Joyoung.

3. SOURCE AND NUMBER OF SHARES UNDER THE SCHEME

(i) Source of shares under the Scheme

The source of shares of the Scheme shall be A shares of Joyoung to be issued to the Eligible Persons.

(ii) Number of the Options involved under the Scheme

The number of Options proposed to be granted under the Scheme is 18,000,000, representing approximately 2.35% of the total issued share capital of 767,169,000 shares of Joyoung as at the date of the announcement of the Subsidiary Option Scheme, among which, the First Grant of Options consists of 15,600,000 options, representing approximately 2.03% of the total issued share capital of 767,169,000 shares of Joyoung as at the date of the announcement of the Subsidiary Option Scheme and 86.67% of the total number of Options under the Scheme; the Reserved Grant of Options consist of 2,400,000 options, representing approximately 0.31% of the total issued share capital of 767,169,000 shares of Joyoung as at the date of the announcement of the Subsidiary Option Scheme and 13.33% of the total number of Options under the Scheme.

Each Option granted under the Scheme is entitled to purchase one A share of Joyoung at the Exercise Price during the exercise period upon the fulfillment of vesting conditions and arrangement.

As at the date of the announcement of the Subsidiary Option Scheme, the total aggregate number of underlying shares of Joyoung involved in the Scheme during the Validity Period shall not exceed 10.00% of the total share capital of Joyoung when the Scheme is proposed at the general meeting. The aggregate number of shares of Joyoung to be granted to any one of the Eligible Persons under the Scheme during the Validity Period shall not exceed 1.00% of the total share capital of Joyoung.

4. VESTING PERIOD, EXERCISE ARRANGEMENT AND LOCK-UP PERIOD OF THE SCHEME

(i) Vesting Period

All Options granted to the Eligible Persons are subject to different Vesting Periods, and each of such periods shall begin on the date on which the registration of the granted Options is completed. The interval between the Date of Grant and the first Exercise Date of the Options shall not be less than 12 months.

(ii) Exercise Arrangement

The Eligible Persons of the Scheme may begin to exercise Options upon the expiration of the Vesting Period. The Exercise Date must be a trading day within the Validity Period of the Scheme, but the Options cannot be exercised in the following periods:

- a. 30 days prior to the publication of announcement of Joyoung's annual reports, interim reports or the quarterly reports, and in the event of a delay of publication of such announcements, 30 days prior to the voluntary announcement in relation to the delay and up to the day preceding the publication of such announcement;
- b. 10 days prior to the release of the Company's results preview or preliminary report;
- c. the period starting from the date when a material event, which may significantly affect the trading price of Joyoung's stock and its derivatives, occurs or is in the process of decision-making, up to two trading days after the event being disclosed in accordance with laws;
- d. other periods as stipulated by the CSRC and Shenzhen Stock Exchange.

The exercise arrangement for the First Grant of Options is as follows:

Exercise Arrangement	Exercise Period	Proportion of exercisable Options to the total number of Options granted
First exercise period	Commencing from the first trading day after the expiry of the 12th month from the Date of Grant of the First Grant of Options, and ending on the last trading day of the 24th month from the Date of Grant of the First Grant of Options	40%
Second exercise period	Commencing from the first trading day after the expiry of the 24th month from the Date of Grant of the First Grant of Options, and ending on the last trading day of the 36th month from the Date of Grant of the First Grant of Options	30%
Third exercise period	Commencing from the first trading day after the expiry of the 36th month from the Date of Grant of the First Grant of Options, and ending on the last trading day of the 48th month from the Date of Grant of the First Grant of Options	30%

The exercise arrangement for the Reserved Grant of Options is as follows:

Exercise Arrangement	Exercise Period	Proportion of exercisable Options to the total number of Options granted
First exercise period	Commencing from the first trading day after the expiry of the 12th month from the Date of Grant of the Reserved Grant of Options, and ending on the last trading day of the 24th month from the Date of Grant of the Reserved Grant of Options	50%
Second exercise period	Commencing from the first trading day after the expiry of the 24th month from the Date of Grant of the Reserved Grant of Options, and ending on the last trading day of the 36th month from the Date of Grant of the Reserved Grant of Options	50%

Options for which the Exercise Conditions are not fulfilled or Options which the Eligible Persons do not exercise during the above agreed period shall not be exercised or deferred to the next exercise period, and the relevant Options of such Eligible Persons shall be cancelled by Joyoung in accordance with the principles stipulated in the Scheme. After the end of each exercise period of the Options, the Options exercisable by the Eligible Persons for the current period that have not been exercised shall be terminated and cancelled by Joyoung.

The circumstances under which the Options will automatically lapse are equal to the Options to be cancelled.

(iii) Lock-up Period

The lock-up requirements for shares of Joyoung granted to the Eligible Persons under the Scheme shall be implemented in accordance with the relevant laws, administrative regulations and normative documents including the Company Law, the Securities Law and the Articles of Association of Joyoung. Details are as follows:

- a. where an Eligible Person is a director or a member of the senior management of Joyoung, the number of shares of Joyoung that may be transferred each year during his or her term of office shall not exceed 25% of the total number of shares of Joyoung held by him or her. No shares of Joyoung held by him or her shall be transferred within half a year after his or her termination of office;
- b. where an Eligible Person is a director or a member of the senior management of Joyoung and such Eligible Person's spouse, parents and children and he or she disposes of any shares of Joyoung within six months after acquisition or buys back such shares within six months after disposal, all gains arising therefrom shall be accounted to Joyoung and the board of Joyoung will collect all such gains;

- c. if there is any amendment to the requirements regarding the transfer of shares of Joyoung by directors and senior management of Joyoung under relevant laws, administrative regulations and normative documents including the Company Law, the Securities Law and the Articles of Association of Joyoung during the Validity Period of the Scheme, such amended requirements thereunder shall apply to the shares transferred by such Eligible Persons during the relevant times.

5. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PERSON

The maximum number of shares of Joyoung in respect of which Options may be granted to each Eligible Person under the Scheme shall not in aggregate exceed 1.00% of the total share capital of Joyoung in issue during the Validity Period.

6. PERFORMANCE TARGET

During the Validity Period, Joyoung will assess its performance targets for the years from 2021 to 2023, in which the fulfillment of the performance assessment target of each exercise period is one of the Exercise Conditions for that exercise period of the Eligible Persons. Exercise arrangement and performance assessment targets of the granted Options are as follows:

Exercise Arrangement		Performance assessment targets
First Grant of Options	First exercise period	Joyoung shall fulfil the following two conditions: <ul style="list-style-type: none"> (a) the growth rate on the operating revenue for the year of 2021 shall not be lower than 15%, as compared to the operating revenue for the year of 2020; and (b) the growth rate on the net profit for the year of 2021 shall not be lower than 5%, as compared to the net profit for the year of 2020.
	Second exercise period	Joyoung shall fulfil the following two conditions: <ul style="list-style-type: none"> (a) the growth rate on the operating revenue for the year of 2022 shall not be lower than 33%, as compared to the operating revenue for the year of 2020; and (b) the growth rate on the net profit for the year of 2022 shall not be lower than 16%, as compared to the net profit for the year of 2020.

Exercise Arrangement		Performance assessment targets
	Third exercise period	<p>Joyoung shall fulfil the following two conditions:</p> <p>(a) the growth rate on the operating revenue for the year of 2023 shall not be lower than 56%, as compared to the operating revenue for the year of 2020; and</p> <p>(b) the growth rate on the net profit for the year of 2023 shall not be lower than 33%, as compared to the net profit for the year of 2020.</p>
Reserved Grant of Options	First exercise period	<p>Joyoung shall fulfil the following two conditions:</p> <p>(a) the growth rate on the operating revenue for the year of 2022 shall not be lower than 33%, as compared to the operating revenue for the year of 2020; and</p> <p>(b) the growth rate on the net profit for the year of 2022 shall not be lower than 16%, as compared to the net profit for the year of 2020.</p>
	Second exercise period	<p>Joyoung shall fulfil the following two conditions:</p> <p>(a) the growth rate on the operating revenue for the year of 2023 shall not be lower than 56%, as compared to the operating revenue for the year of 2020; and</p> <p>(b) the growth rate on the net profit for the year of 2023 shall not be lower than 33%, as compared to the net profit for the year of 2020.</p>

Notes:

- (1) “Operating revenue” refers to the operating revenue in the notes to the audited consolidated financial statements of Joyoung.
- (2) “Net profit” refers to the net profit in the audited consolidated income statement of Joyoung

During the exercise period, Joyoung shall handle the issues concerning the exercise of the Options for the Eligible Persons who fulfill the Exercise Conditions. If the performance levels for the current period of Joyoung does not fulfill the conditions of the performance target during such respective exercise period, all Eligible Persons shall not exercise the exercisable Options that shall be assessed in such year, and Joyoung shall cancel the Share Options exercisable by the Eligible Persons for such current period.

Performance assessment requirements of the Eligible Persons

The individual assessment of Eligible Persons shall be organized and implemented in accordance with the relevant performance assessment systems of Joyoung. Individual performance assessment results are divided into four levels, namely “distinction”, “merit”, “pass” and “fail”, and the corresponding exercisable Options are as follows:

Assessment results	Distinction	Merit	Pass	Fail
Exercise ratio	100%	100%	80%	0%

The actual number of Options exercisable by an Eligible Person in that year will be equal to the product of the relevant parameter and the Options exercisable by the Eligible Person in the year.

On the premise that the performance targets of Joyoung are achieved, if the individual performance assessment results of such Eligible Persons in the previous year fall under the categories of “distinction”, “merit” and “pass”, the Eligible Persons can exercise the Options in accordance with the exercise ratio for such year of assessment and the Options can not be exercised shall be cancelled by Joyoung; if the individual performance assessment results of such Eligible Persons in the previous year fall under the category of “fail”, the exercisable Options by the Eligible Persons for such period shall no longer be exercisable and such Options shall be cancelled by Joyoung.

7. SUBSCRIPTION PRICE

There is no subscription price for the Option under the Scheme.

8. EXERCISE PRICE AND BASIS OF DETERMINATION**(i) Exercise Price under the First Grant of Options**

The Exercise Price under the First Grant of Options under the Scheme shall be RMB21.99 per share. Upon fulfillment of Exercise Conditions, the holder of each Option granted to the Eligible Persons can purchase one share of Joyoung at the price of RMB21.99.

(ii) Basis of determination of the Exercise Price under the First Grant of Options

The above Exercise Price shall be equal to or higher than the face value of the Subsidiary Share, and shall be equal to or higher of the following:

- a. 70% of the average trading prices of the shares of Joyoung on the last trading day immediately preceding the date of the announcement of the Subsidiary Option Scheme, which was RMB21.39 per share of Joyoung; and
- b. 70% of the average trading prices of the shares of Joyoung for the last 20 trading days immediately preceding the date of the announcement of the Subsidiary Option Scheme, which was RMB21.99 per share of Joyoung.

(iii) Basis of determination of the Exercise Price under the Reserved Grant of Options

The Exercise Price of the Reserved Grant of Options shall be consistent with the Exercise Price under the First Grant of Options, being RMB21.99 per share of Joyoung.

9. CONDITIONS OF THE GRANT AND EXERCISE CONDITIONS OF OPTIONS

(i) Conditions of the Grant of Options

The Options can be granted to the Eligible Persons by Joyoung upon fulfillment of all of the following conditions. On the contrary, no Option shall be granted to the Eligible Persons if any of the following conditions of Grant is not fulfilled.

- a. There is no occurrence of any of the following in respect of Joyoung:
 1. issuance of an auditors' report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of Joyoung for its most recent accounting year;
 2. issuance of an auditors' report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of Joyoung for its most recent accounting year;
 3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association of Joyoung and public undertakings within the last 36 months after listing;
 4. prohibition from implementation of share incentives by laws and regulations; or
 5. such other circumstances as determined by the CSRC.
- b. There is no occurrence of any of the following circumstances in respect of an Eligible Person:
 1. he or she has been determined by the Shenzhen Stock Exchange as an ineligible person in the last 12 months;
 2. he or she has been determined by the CSRC or its delegated agencies as an ineligible person in the last 12 months;
 3. he or she has been imposed by the CSRC or any of its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material violation of laws and regulations;
 4. he or she is prohibited from acting as a director or a member of the senior management of a company as required by the Company Law;
 5. he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations; or
 6. such other circumstances as determined by the CSRC.

(ii) Exercise Conditions of the Options

Options of the Eligible Persons may only be exercised upon the fulfillment of the following conditions:

- a. There is no occurrence of any of the following in respect of Joyoung:
 1. issuance of an auditors' report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of Joyoung for its most recent accounting year;
 2. issuance of an auditors' report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of Joyoung for its most recent accounting year;
 3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association of Joyoung and public undertakings within the last 36 months after listing;
 4. prohibition from implementation of share incentives by laws and regulations; or
 5. such other circumstances as determined by the CSRC.
- b. There is no occurrence of any of the following circumstances in respect of an Eligible Person:
 1. he or she has been determined by the Shenzhen Stock Exchange as an ineligible person in the last 12 months;
 2. he or she has been determined by the CSRC or its delegated agencies as an ineligible person in the last 12 months;
 3. he or she has been imposed by the CSRC or any of its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material violation of laws and regulations;
 4. he or she is prohibited from acting as a director or a member of the senior management of a company as required by the Company Law;
 5. he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations; or
 6. such other circumstances as determined by the CSRC.
- c. Performance assessment requirements of Joyoung.

10. METHODS OF AND PROCEDURES FOR ADJUSTMENT**(i) Adjustment methods of the number of Options**

In the event of capitalization of capital reserves, bonus issue, share subdivision, rights issue, share consolidation of Joyoung during the period from the date of announcement of the Scheme to the completion of share registration of Options by the Eligible Persons, the number of the Options shall be adjusted accordingly. The adjustment methods are as follows:

- a. Capitalization of capital reserves, bonus issue, share subdivision

$$Q = Q_0 \times (1 + n)$$

Where: Q_0 represents the number of the Options prior to the adjustment; n represents the ratio of increase per share resulting from capitalization of capital reserves, bonus issue or share subdivision (i.e. the number of increased share(s) per share upon capitalization of capital reserves, bonus issue or share subdivision); and Q represents the number of the Options after the adjustment.

- b. Rights issue

$$Q = Q_0 \times P_1 \times (1 + n) / (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of the Options prior to the adjustment; P_1 represents the closing price of the Options as at the record date; P_2 represents the price in respect of the rights issue; n represents the ratio of the rights issue (i.e. the number of shares to be issued under the rights issue in proportion to the total share capital of Joyoung prior to the rights issue); and Q represents the number of the Options after the adjustment.

- c. Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of the Options prior to the adjustment; n represents the ratio of consolidation of shares (i.e. one share of Joyoung shall be consolidated into n shares); and Q represents the number of the Options after the adjustment.

- d. New issue

In the event of issue of new shares by Joyoung, the number of the Options will not be adjusted.

(ii) Adjustment methods of the Exercise Price

In the event of dividend distribution, capitalization of capital reserves, bonus issue, share subdivision, rights issue or share consolidation of Joyoung during the period from the date of announcement of the Scheme to the completion of share registration of the Options by the Eligible Persons, the Exercise Price of Options should be adjusted accordingly, but no adjustments may be made to the extent that the Exercise Price would be lower than the nominal value of the shares. The adjustment methods are as follows:

- a. Capitalization of capital reserves, bonus issue, share subdivision

$$P = P_0 \div (1 + n)$$

Where: P_0 represents the Exercise Price prior to the adjustment; n represents the ratio of increase per share resulting from the capitalization of capital reserves, bonus issue or share subdivision; and P represents the Exercise Price after the adjustment.

- b. Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) / [P_1 \times (1 + n)]$$

Where: P_0 represents the Exercise Price prior to the adjustment; P_1 represents the closing price of the Options as at the record date; P_2 represents the subscription price in respect of the rights issue; n represents the ratio of the rights issue (i.e. the number of shares to be issued under the rights issue in proportion to the total share capital of Joyoung prior to the rights issue); and P represents the Exercise Price after the adjustment.

- c. Share consolidation

$$P = P_0 \div n$$

Where: P_0 represents the Exercise Price prior to the adjustment; n represents the ratio of share consolidation; and P represents the Exercise Price after the adjustment.

- d. Dividend distribution

$$P = P_0 - V$$

Where: P_0 represents the Exercise Price prior to the adjustment; V represents the dividend per share; and P represents the Exercise Price after the adjustment. After the adjustment of dividend distribution, P shall still be greater than 1.

- e. New issue

In the event of issue of new shares by Joyoung, the Exercise Price of the Options will not be adjusted.

(iii) Procedures for adjustment of the Scheme

The shareholders' general meetings of Joyoung shall authorize its board to adjust the number and Exercise Price of the Options for any reason as clearly stated in the Scheme. The Subsidiary Board shall make an announcement and notify the Eligible Persons in a timely manner upon making adjustments to the number and Exercise Price of the Options in accordance with the abovementioned requirements. Joyoung shall engage law firm to provide professional advice to itself as to whether such adjustments are in compliance with the requirements under the Administration Measures, the Articles of Association of Joyoung and the Scheme.

11. AMENDMENTS TO OR TERMINATION OF THE SCHEME**(i) Procedures of amendments to the Scheme**

If Joyoung intends to amend the Scheme prior to its consideration and approval at its shareholders' general meetings, such amendment shall be considered and approved by its board. If Joyoung intends to amend the Scheme after the approval at the shareholders' general meetings, such amendment shall be considered and approved at the shareholders' general meeting given that such amendment shall not result in accelerating early exercise and reducing the Exercise Price. Provisions relating to the matters set out in Rule 17.03 of the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") shall not be altered to the advantage of the grantees except with the prior approval of the shareholders of the parent company in general meeting. Any alterations to the terms and conditions of the Scheme of Joyoung which are of a material nature or any change to the terms of options granted must be approved by the shareholders of the parent company, except where the alterations take effect automatically under the existing terms of the Scheme. The amended terms of the Scheme or the Options shall comply with the relevant requirements of Chapter 17 of the Listing Rules. Any change to the authority of the directors or administrators in relation to any alteration to the terms of the Scheme must be approved by shareholders of the parent company in general meeting.

Joyoung shall disclose the comparison of the amendments to the Scheme before and after the amendments in a timely manner. The independent directors and the supervisory committee of Joyoung shall give clear opinions as to whether the amendments to the Scheme are conducive to the sustainable development of Joyoung and are significantly detrimental to the interests of Joyoung and its shareholders as a whole. A law firm shall provide professional advice as to whether the amendments to the Scheme are in compliance with the requirements of the Administrative Measures and relevant laws and regulations and are significantly detrimental to the interests of Joyoung and its shareholders as a whole.

(ii) Procedures of termination of the Scheme

If Joyoung intends to terminate the Scheme prior to its consideration at its shareholders' general meetings, such termination shall be considered, approved and disclosed by its board. If Joyoung intends to terminate the Scheme after the approval at its shareholders' general meetings, such termination shall be considered and disclosed by its board and the shareholders' general meetings.

Joyoung shall disclose the resolutions of the shareholders' general meetings or the board resolutions in a timely manner. A law firm shall give professional opinions as to whether the Company's termination of the implementation of the Scheme is in compliance with the requirements of the Administrative Measures and relevant laws and regulations and is significantly detrimental to the interests of Joyoung and the shareholders as a whole.

If the Scheme is terminated, Joyoung shall apply for deregistration of the granted Options with the China Securities Depository and Clearing Corporation Limited in a timely manner after performing the relevant consideration and approval procedures.

12. CANCELLATION OF THE OPTIONS

The Scheme and the Options shall be cancelled for the following occurrences of Joyoung

- a. The Scheme shall be terminated and the Options granted yet exercised shall be cancelled by Joyoung for any one of the occurrences below:
 1. issuance of an auditors' report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the financial report of Joyoung for its most recent accounting year;
 2. issuance of an auditors' report with an adverse opinion or which indicates an inability to give opinion by a certified public accountant with respect to the internal control of the financial report of Joyoung for its most recent accounting year;
 3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings within the last 36 months after listing;
 4. prohibition from implementation of share incentives by laws and regulations; or
 5. such other circumstances that the Scheme shall be cancelled as determined by the CSRC.
- b. Including but not limited to a merger or split of Joyoung, the subsidiary board shall decide whether to terminate the implementation of the Scheme within 5 trading days from the date of the merger or split of Joyoung.
- c. When there is a change of control of Joyoung, the subsidiary board shall decide whether to terminate the implementation of the Scheme within 5 trading days from the date of the change of control of Joyoung.
- d. The Options granted yet exercised shall be cancelled if the disclosure made by Joyoung contains false representations, misleading statements or material omission, resulting in non-compliance with the grant conditions or exercise arrangement of the Options.

The Options shall be cancelled for the following occurrences of the Eligible Persons

- a. Change of position of Eligible Persons:
 1. where the position of an Eligible Person changes, as long as he or she still works at the Joyoung or subsidiaries thereof, the Options granted to him or her shall be exercised in accordance with the procedures set out in the Scheme.
 2. if an Eligible Person serves as a supervisor or an independent director or other positions that cannot hold Options, his or her exercised Options shall remain unchanged, and the Options that have been granted but not exercised shall not be exercised and shall be cancelled by Joyoung.

3. where the position of an Eligible Person changes due to his or her impairment of the interests and reputation of Joyoung as a result of breach of law, violation of professional ethics, leaking confidential information of Joyoung, breach of duty or malfeasance, or the Eligible Person's termination of the labor or employment relationship by Joyoung due to the foregoing reasons, his or her exercised Options shall remain unchanged, and the Options that have been granted but not exercised shall not be exercised and shall be cancelled by Joyoung.

b. Resignation of the Eligible Person

If the Eligible Person resigns voluntarily or he or she has been laid off by Joyoung, his or her exercised Options shall remain unchanged, and the Options that have been granted but not exercised shall not be exercised and shall be cancelled by Joyoung.

c. Retirement of the Eligible Person

If the Eligible Person has resigned due to retirement and subsequently returns to employment in Joyoung, his or her granted Options will be fully implemented in accordance with the procedures stipulated in the Scheme before retirement, and his or her individual performance assessment results will no longer be included in the Exercise Conditions. If the Eligible Person has decided not to renew the employment contract or has resigned due to retirement while Joyoung intends to continue the employment contract with such Eligible Person, his or her exercised Options shall remain unchanged, and the Options that have been granted but not exercised shall not be exercised and shall be cancelled by Joyoung.

d. Resignation of the Eligible Person due to incapacity in working

If the Eligible Person resigns due to work injuries and incapacity, the remuneration committee of Joyoung shall determine whether his or her granted Options will be fully implemented in accordance with the procedures stipulated in the Scheme before the occurrence of such situation, and his or her individual performance assessment results will no longer be included in the Exercise Conditions; or his or her exercised Options shall remain unchanged, and the Options that have been granted but not exercised shall not be exercised and shall be cancelled by Joyoung.

If the Eligible Person resigns due to reasons other than work injuries and incapacity, his or her exercised Options shall remain unchanged, and the Options that have been granted but not exercised shall not be exercised and shall be cancelled by Joyoung.

e. Death of the Eligible Person

If an Eligible Person deceases due to work-related accidents, the remuneration committee of Joyoung shall determine whether his or her granted Options shall be held by his or her designated heir or lawful heir on his or her behalf, and shall be subject to the procedures stipulated in the Scheme prior to his or her death. The individual performance assessment results will no longer be included in the Exercise Conditions; or his or her exercised Options shall remain unchanged, and the Options that have been granted but not exercised shall not be exercised and shall be cancelled by Joyoung.

If an Eligible Person deceases due to reasons other than work-related accidents, his or her exercised Options shall remain unchanged, and the Options that have been granted but not exercised shall not be exercised and shall be cancelled by Joyoung.

f. Change in the control of Joyoung where the Eligible Person is working

If the Eligible Person serves in Joyoung's holding subsidiary, and Joyoung loses control of such subsidiary and the Eligible Person remains in such subsidiary, his or her exercised Options shall remain unchanged, and the Options that have been granted but not exercised shall not be exercised and shall be cancelled by Joyoung.

g. Change to eligibility of the Eligible Person

If the Eligible Person is no longer eligible as an Eligible Person due to one of the following situations, the exercised Options by the Eligible Person shall remain unchanged, and the Options that have been granted but not exercised shall not be exercised and shall be cancelled by the Company:

1. he or she has been determined by Shenzhen Stock Exchange as an ineligible person in the last 12 months;
2. he or she has been determined by the CSRC or its delegated agencies as an ineligible person in the last 12 months;
3. he or she has been imposed by the CSRC or any of its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material violation of laws and regulations;
4. he or she is prohibited from acting as a director or a member of the senior management of a company as required by the Company Law;
5. he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations; or
6. such other circumstances as determined by the CSRC.

h. Other circumstances

Other circumstances not stated above and the handling method thereof shall be determined by the remuneration committee of Joyoung.

13. RANKING OF SHARES

Shares entitled to subscribe for under the Options granted under the Scheme are the ordinary shares of Joyoung.

14. LIFE OF THE SUBSIDIARY OPTION SCHEME

The Validity Period of the Scheme shall commence from the Date of Grant of the Options, and end on the date on which all the Options granted to the Eligible Persons under the Scheme have been exercised or cancelled, and shall not be longer than 48 months.

15. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

After the Scheme has been considered and approved at the shareholders' general meeting of Joyoung, Joyoung will convene a board meeting to grant Options to the Eligible Persons within 60 days in accordance with relevant regulations and complete relevant procedures such as registration and announcement. If Joyoung fails to complete the abovementioned works within 60 days, it shall disclose the reasons for the inability to complete and announce the termination of the implementation of the Scheme in a timely manner. The period during which no Option can be granted in accordance with the Administrative Measures and Business Handling Guidelines shall not be counted within such 60 days.

The Date of Grant of the Reserved Grant shall be confirmed by the Subsidiary Board within 12 months after the consideration and approval at the shareholders' general meeting of Joyoung. The Date of Grant of Options must be a trading day. If the date determined in accordance with the above principles is not a trading day, the Date of Grant shall be postponed to the first trading day thereafter.

16. TRANSFERABILITY OF OPTION

The Options granted to the Eligible Persons shall not be transferred, nor used for guarantee or repayment of debts during the Vesting Period. Options shall not be entitled to voting rights before being exercised, and do not involve in the distribution of share bonus and dividends.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**Extraordinary General Meeting**”) of JS Global Lifestyle Company Limited (the “**Company**”) will be held at Main Conference Room, 1/F, Administrative Building, Joyoung Innovation Industrial Park, No. 760, Yin Hai Street, Qiantang District, Hangzhou, Zhejiang Province, China on May 28, 2021 at 10:00 a.m. or immediately after the annual general meeting of the Company, whichever is later for the purposes of considering and, if thought fit, approving the following ordinary resolutions:

ORDINARY RESOLUTIONS

1. “**THAT** the adoption of the proposed share option scheme (a copy of which has been produced to the Extraordinary General Meeting marked ‘A’ and initialled by the chairman of the Extraordinary General Meeting for the purpose of identification, the “**Subsidiary Option Scheme**”) of Joyoung Co., Ltd. (“**Joyoung**”) be and is hereby approved and that any one director of the Company (the “**Director(s)**”) be and is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give effect to the foregoing.”
2. “**THAT** subject to and conditional upon the passing of resolution 1 above, the proposed grant of share options (the “**Options**”) to Ms. Han Run under the Subsidiary Option Scheme to subscribe for 900,000 shares in the share capital of Joyoung (the “**Share(s)**”) at the exercise price of RMB21.99 per Share and on the terms and conditions set out in the circular to the shareholders of the Company dated May 12, 2021 (the “**Circular**”) be and is hereby approved and that any one Director be and is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give effect to the foregoing.”
3. “**THAT** subject to and conditional upon the passing of resolution 1 above, the grant of the Share Options to Ms. Yang Ningning under the Subsidiary Option Scheme to subscribe for 1,500,000 Shares at the exercise price of RMB21.99 per Share and on the terms and conditions set out in the Circular be and is hereby approved and that any one Director be and is hereby authorised to do all such acts and/or execute all such documents as may be necessary or expedient in order to give effect to the foregoing.”
4. “**THAT** the directors of Joyoung be and are hereby authorized to allow and issue Shares to be issued upon exercise of the Options to be granted under the Subsidiary Option Scheme, as well as to take all steps as considered necessary, expedient and appropriate to the said allotment and issuance.”

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

Hong Kong, May 12, 2021

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. Any shareholder of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited (the “**Branch Share Registrar**”) at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting (i.e. before May 26, 2021 at 10:00 a.m.) or any adjournment thereof. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the Extraordinary General Meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. Where there are joint holders of any share, any one of such joint holders may vote at the Extraordinary General Meeting, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the Extraordinary General Meeting personally or by proxy, then the one of such joint holders so present whose name stands first on the register of members of the Company shall, in respect of such share, be entitled alone to vote in respect thereof.
5. The resolutions at the Extraordinary General Meeting will be taken by poll pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jsgloballife.com) in accordance with the Listing Rules.
6. The register of members of the Company will be closed from May 25, 2021 to May 28, 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the Extraordinary General Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on May 24, 2021.

For details in relation to the ordinary resolutions set out in the above notice, please refer to the circular regarding the proposed adoption of the Subsidiary Option Scheme and proposed grant of the Options despatched together with this notice.

As of the date of this notice, the board of directors of the Company 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.