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.

JS Global

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) PROPOSED RE-ELECTION OF RETIRING DIRECTORS
(2) PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES
(3) PROPOSED FINAL DIVIDEND
(4) CONNECTED TRANSACTION — SHARE PURCHASE AGREEMENTS
AND
(5) NOTICE OF THE ANNUAL GENERAL MEETING

INDEPENDENT FINANCIAL ADVISER

中國通海企業融資
CHINA TONGHAI CAPITAL

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

A notice convening the Annual 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, Yinhai Street, Qiantang District, Hangzhou, Zhejiang Province, China on May 28, 2021 at 9:30 a.m. is set out on pages 61 to 65 of this circular. A form of proxy for use at the Annual 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 Annual 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 Annual General Meeting (i.e. before May 26, 2021 at 9:30 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 Annual General Meeting or any adjournment thereof if you so desire.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Measures being taken to try to prevent and control the spread of the Coronavirus at the Annual 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 AGM 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 AGM as an alternative to attending the AGM in person.

April 28, 2021

CONTENTS

Page

DEFINITIONS . . . 1

LETTER FROM THE BOARD . . . 5

1. INTRODUCTION . . . 5

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS . . . 6

3. PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES . . . 8

4. PROPOSED FINAL DIVIDEND . . . 9

5. CONNECTED TRANSACTION — SHARE PURCHASE AGREEMENTS . . . 9

6. CLOSURE OF REGISTER OF MEMBERS . . . 14

7. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT . . . 14

8. RECOMMENDATION . . . 15

9. ADDITIONAL INFORMATION . . . 15

LETTER FROM THE INDEPENDENT BOARD COMMITTEE . . . 16

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER . . . 17

APPENDIX I — DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING . . . 40

APPENDIX II — EXPLANATORY STATEMENT ON THE SHARE REPURCHASE MANDATE . . . 46

APPENDIX III — GENERAL INFORMATION . . . 49

APPENDIX IV — SUMMARY OF VALUATION REPORT . . . 56

NOTICE OF THE ANNUAL GENERAL MEETING . . . 61

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

"Annual General Meeting" or "AGM"	the annual general meeting of the Company to be 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 9:30 a.m., or any adjournment thereof, to consider and, if thought fit, approve the resolutions contained in the notice of the Annual General Meeting which is set out on pages 61 to 65 of this circular
"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
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"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
"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 shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Controlling Shareholders Group"	a group of individuals collectively and indirectly holding 45.89% of equity interest in the Company as at the Latest Practicable Date, namely, Mr. Wang Xuning, Mr. Zhu Hongtao, Mr. Zhu Zechun, Ms. Yang Ningning, Ms. Huang Shuling, Ms. Han Run, 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
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"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 Annual General Meeting 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
"Issuance Mandate"	a general mandate proposed to be granted to the Directors as set out in item 6 of the notice of the Annual General Meeting
"Joyoung"	Joyoung Co., Ltd. (九陽股份有限公司), a company incorporated in the PRC on July 8, 2002, whose A shares are listed on the Shenzhen Stock Exchange and a subsidiary of the Company
"Joyoung Water Purification"	Hangzhou 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)
"Latest Practicable Date"	April 21, 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

"Nomination Committee"	the nomination committee of the Board
"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"or "China"	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
"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)
"Remuneration Committee"	the remuneration committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC
"RSU Plan"	the restricted stock unit plan of the Company as approved by the Board on October 9, 2019 and amended by the RSU Committee of the Board on December 14, 2020
"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)
"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 the Company
"Shareholder(s)"	holder(s) of 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"
"Share Repurchase Mandate"	a general mandate proposed to be granted to the Directors as set out in item 5 of the notice of the Annual General Meeting
"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
"Strategy Committee"	the strategy committee of the Board
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Code on Takeovers and Mergers as amended from time to time
"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

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

April 28, 2021

To the Shareholders

Dear Sir/Madam,

(1) PROPOSED RE-ELECTION OF RETIRING DIRECTORS
(2) PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES
(3) PROPOSED FINAL DIVIDEND
(4) CONNECTED TRANSACTION — SHARE PURCHASE AGREEMENTS AND
(5) NOTICE OF THE ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information of the resolutions to be proposed, and if thought fit, to be approved at the Annual General Meeting in respect of:

(i) the re-election of the retiring Directors;

(ii) the granting of the Share Repurchase Mandate and the Issuance Mandate to the Directors;

(iii) the declaration of payment of a final dividend of HK$0.2661 (equivalent to approximately US$0.0343) per Share; and

(iv) the Share Purchase Agreements.

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 16.2 of the Articles of Association, any Director who is appointed by the Board either to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting. In addition, pursuant to Article 16.19 of the Articles of Association, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director required to stand for re-election pursuant to Article 16.2 shall not be taken into account in determining the number of Directors and which Directors are to retire by rotation. A retiring Director shall be eligible for re-election.

In accordance with Article 16.2 of the Articles of Association, Mr. Mao Wei, who was appointed as a Director on August 25, 2020, shall retire from his office as Director at the Annual General Meeting, and being eligible, will offer himself for re-election at the Annual General Meeting.

In accordance with Article 16.19 of the Articles of Association, Mr. Wang Xuning, Ms. Han Run, Ms. Huang Shuling, Mr. Hui Chi Kin Max, Mr. Stassi Anastas Anastassov, Dr. Wong Tin Yau Kelvin, Mr. Timothy Roberts Warner and Mr. Yang Xianxiang, shall retire from their offices as Directors by rotation at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting.

The biographical details of the retiring Directors are set out in Appendix I to this circular.

The Nomination Committee had assessed and reviewed the written confirmation of independence of each of the independent non-executive Directors who have offered themselves for re-election at the Annual General Meeting (namely, Dr. Wong Tin Yau Kelvin, Mr. Timothy Roberts Warner and Mr. Yang Xianxiang) based on the independence criteria as set out in Rule 3.13 of the Listing Rules and is satisfied that all of them remain independent in accordance with Rule 3.13 of the Listing Rules.

Based on the board diversity policy adopted by the Company, the Nomination Committee considers that Dr. Wong Tin Yau Kelvin, Mr. Timothy Roberts Warner and Mr. Yang Xianxiang have diversified cultural background and language skills, as well as a broad range of educational background (including degrees in engineering, economics, business administration, English literature and history) and working experience in different countries and regions. The independent non-executive Directors also have a balanced mix of knowledge and skills with different industry backgrounds.

The Nomination Committee is of the view that each of Dr. Wong Tin Yau Kelvin, Mr. Timothy Roberts Warner and Mr. Yang Xianxiang would bring to the Board their own perspective, skills and experience, including in business administration, finance, corporate governance and compliance, as further described in their respective biographies in Appendix I to this circular.

The Board has noted that as of the Latest Practicable Date, Dr. Wong held directorships with seven listed companies (including the Company). However, the Board is of the view that Dr. Wong would still be able to devote sufficient time to the Board for the following reasons:

- Dr. Wong's role in the Group is non-executive in nature and he will not be involved in the daily management of Group's business, and thus his engagement as an independent non-executive Director will not require his full-time participation;

- except for COSCO SHIPPING Ports Limited, Dr. Wong is neither a full-time member of the listed companies nor involved in day-to-day operations or management of such companies, and thus has no management responsibility therein;

- Dr. Wong has maintained a high attendance rate for board meetings, committee meetings and shareholders' meetings for the listed companies during the respective latest financial periods since his appointment date;

- with his knowledge and experience, Dr. Wong has not found difficulties in devoting his time to and managing his time with the listed companies in which he serves as an independent non-executive director, and he is confident that with his experience in being responsible for several roles, he will be able to fulfill his duties to the Company properly; and

- none of the listed companies that he holds directorships with has questioned or complained about his time devoted to such listed companies.

Dr. Wong has undertaken to devote sufficient time to attend to his work as an independent non-executive Director of the Company, and also, based on the foregoing, the Board does not have reason to believe that the directorships currently held by Dr. Wong will result in his having insufficient time to act as an independent non-executive Director of the Company or improperly discharge his fiduciary duties as a Director of the Company. In addition, Dr. Wong intends to retire from his position of acting as an independent non-executive director in I.T Limited (stock code: 999), after its privatization by way of a scheme of arrangement and withdrawal of listing, which is expected to happen on April 30, 2021 according to the current timetable on the composite document dated March 21, 2021 and announcement dated April 16, 2021.

Recommendation of the Nomination Committee with respect to the Directors subject to re-election at the Annual General Meeting

The Nomination Committee has reviewed the structure and composition of the Board, the qualifications, skills, knowledge and experience, time commitment and contributions of the retiring Directors, having regard to the nomination policy and the board diversity policy of the Company. The Nomination Committee is of the view that the retiring Directors have extensive experience in different fields and professions that are relevant to the Company's business. In addition, their respective background, experience and knowledge allow them to provide valuable and relevant insights and contribute to the diversity of the Board. Accordingly, the Nomination Committee has recommended them to the Board for re-election and the Board has endorsed the recommendations of the Nomination Committee and recommended all retiring Directors to stand for re-election at the Annual General Meeting.

3. PROPOSED GRANTING OF GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES

At the annual general meeting of the Company held on June 5, 2020, general mandates were granted to the Directors to (i) exercise all the powers of the Company to repurchase Shares with an aggregate number of not more than 10% of the aggregate number of the Shares in issue as at the date of passing of such ordinary resolution; and (ii) allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of such ordinary resolution, and such general mandate was extended by adding the total number of Shares repurchased by the Company.

Such mandates will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to repurchase Shares and issue Shares if and when appropriate, ordinary resolutions will be proposed at the Annual General Meeting to approve:

(i) the granting of the Share Repurchase Mandate to the Directors to exercise all the powers of the Company to repurchase Shares with an aggregate number of not more than 10% of the aggregate number of the Shares in issue as at the date of passing of such ordinary resolution (i.e. 349,461,227 Shares, on the basis that the total number of issued Shares will remain unchanged on the date of the Annual General Meeting);

(ii) the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of such ordinary resolution (i.e. 698,922,455 Shares on the basis that the total number of issued Shares will remain unchanged on the date of the Annual General Meeting); and

(iii) the extension of the Issuance Mandate by adding the total number of Shares repurchased by the Company since the granting of the Share Repurchase Mandate.

Each of the Share Repurchase Mandate and the Issuance Mandate will remain in effect until the earliest of the following:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable laws or the Articles of Association; or

(iii) it is varied, revoked or renewed by an ordinary resolution of the Shareholders at a general meeting.

The Directors wish to state that they have no immediate plan to repurchase any Shares pursuant to the Share Repurchase Mandate or to issue any Shares pursuant to the Issuance Mandate.

An explanatory statement required by the Listing Rules to provide the Shareholders with the information reasonably necessary to enable such Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the granting of the Share Repurchase Mandate is set out in Appendix II to this circular.

4. PROPOSED FINAL DIVIDEND

On March 31 2021, the Board recommended the payment of a final dividend of HK$0.2661 (equivalent to approximately US$0.0343) per Share for the year ended December 31, 2020 (the "**Final Dividend**") to the Shareholders whose names appear on the register of members of the Company at the close of business on June 4, 2021, subject to approval by the Shareholders at the Annual General Meeting. The Final Dividend will be paid in Hong Kong dollars, which is expected to be payable on or around July 30, 2021.

5. CONNECTED TRANSACTION — SHARE PURCHASE AGREEMENTS

On April 6, 2021, each Seller entered into the Share Purchase Agreements 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 Latest Practicable Date, 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 Latest Practicable Date.

Consideration

The Consideration is approximately RMB1,155.61 million, which is payable by the Purchaser to the Sellers in cash within approximately 3 months after the Company is registered with the relevant PRC authorities as the legal owner of the Target Shares. 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). The summary of Valuation Report is set out in Appendix IV to this circular.

As of the Latest Practicable Date, Shanghai Lihong held two subsidiaries, namely Joyoung as to approximately 50.12% and Zheng Hong Development Company Limited ("**Zheng Hong**") as to 100%. Given Zheng Hong is not engaged in any actual business operations, the value of Shanghai Lihong's equity investments in Zheng Hong is insignificant and the 50.12% equity interests of Joyoung constitute the major assets of Shanghai Lihong. The Valuation Report was prepared based on the audited single financial statements of Shanghai Lihong, with considerations including, among others, the total net liabilities of Zheng Hong and the value of Shanghai Lihong's equity investments in Joyoung as of the Valuation Reference Date.

The Company has sufficient cash resources generated from its business operations and is therefore able to pay the Consideration with its proprietary funds. The Company does not intend to use the proceeds from its listing to pay the Consideration.

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 Annual General Meeting 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 pre-existing loan facilities (the "**Facilities**") granted to the Company and Global Appliance LLC (an indirect wholly-owned subsidiary of the Company) on March 17, 2020, 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, including the independent non-executive 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 (including the Consideration) 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 and is an investment platform company. As of the Latest Practicable Date, Shanghai Lihong held two subsidiaries, namely Joyoung as to approximately 50.12% and Zheng Hong as to 100%, and 15.58% equity interest in Xinjiang Share Capital Partnership (LP) as a limited partner. Given Zheng Hong is not engaged in any actual business operations, the 50.12% equity interests of Joyoung constitute the major assets of Shanghai Lihong.

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

Unit: RMB million

	For the year ended 31 December 2019 *(audited)*	**For the year ended 31 December 2020** ***(audited)***
Net profits (before taxation)	476.00	**277.23**
Net profits (after taxation)	476.00	**274.69**

As at December 31, 2020, the audited total asset value and the audited total net asset value of Shanghai Lihong (excluding Zheng Hong) were approximately RMB13,627.19 million and approximately RMB10,431.74 million, respectively.

The 50.12% equity interests of Joyoung constitute the major assets of Shanghai Lihong.

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

Unit: RMB million

	For the year ended 31 December 2019 *(audited)*	**For the year ended 31 December 2020** ***(audited)***
Net profits (before taxation)	939.9	**1,062.9**
Net profits (after taxation)	805.8	**916.3**

As at December 31, 2020, the audited consolidated total asset value and the audited consolidated total net asset value of Joyoung were approximately RMB9,134.8 million and approximately RMB4,282.5 million, respectively.

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

		Unit: US$
	For the year ended 31 December 2019 *(audited)*	**For the year ended 31 December 2020** ***(unaudited)***
Net profits/(loss) (before taxation)	(13,059,510)	**(21,907)**
Net profits/(loss) (after taxation)	(13,059,510)	**(21,907)**

As at December 31, 2020, the unaudited total asset value and the unaudited total net liability value of Zheng Hong were approximately US$2,033,551 and approximately US$5,628,045, respectively. The net liability of approximately US$5,628,045 of Zheng Hong was mainly attributable to the loan between Zheng Hong (as the borrower) and Shanghai Lihong (as the lender) with a principal amount of RMB50 million (approximately US$7.65 million).

As at 31 January 2021, based on the audited financial statement of Shanghai Lihong, the book value of its total assets was approximately RMB10,011.32 million, the book value of its total liabilities was approximately RMB2,291.02 million, and the book value of its net asset was RMB7,720.30 million.

1. The assets of Shanghai Lihong mainly included (i) the audited value of Joyoung shares held as at 31 January 2021, amounted to approximately RMB8,703.11 million, (ii) cash and bank balances of approximately RMB1,072.27 million, and (iii) investment in Xinjiang Share Capital Partnership (LP) of approximately RMB124.72 million. In particular, the cash and bank balances mainly represented the capital contribution from the shareholders of Shanghai Lihong and retained earnings carried forward, and such cash and bank balances are mainly reserved for future investment purpose.

2. The liabilities mainly included deferred tax liabilities of approximately RMB2,103.17 million and dividend payables of approximately RMB184.79 million. In particular, the deferred tax liabilities referred to the difference between the investment cost and the fair value of the Joyoung shares held by Shanghai Lihong at 31 January 2021, and the applicable income tax rate of 25%. The dividend payables referred to the profit distribution by Shanghai Lihong in fiscal year 2020, which will be payable to its shareholders.

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. The Valuation Report was prepared based on the audited single financial statements of Shanghai Lihong, with considerations including, among others, the value of Shanghai Lihong's equity investments in Joyoung as of the Valuation Reference Date. For details, please refer to Appendix IV — Summary of Valuation Report in this circular.

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 Latest Practicable Date, Ms. Tian Deling, a director of Shanghai Lihong, holding approximately 0.165% of the total issued shares of Shanghai Lihong as of the Latest Practicable Date 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 Latest Practicable Date, (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.

6. 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 Annual 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.

Subject to the approval of Shareholders at the Annual General Meeting, the Final Dividend will be paid on or about July 30, 2021. For determining the entitlement to the Final Dividend, the register of members of the Company will be closed from June 3, 2021 to June 4, 2021 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify for the entitlement to the Final Dividend, 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 June 2, 2021.

7. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 61 to 65 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 Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual 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 Annual 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 Annual General Meeting (i.e. before May 26, 2021 at 9:30 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 Annual General Meeting if you so desire.

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. Therefore, 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 Annual General Meeting. As at the Latest Practicable Date, JS Holding directly holds 1,603,578,331 Shares with voting rights of the Company (representing approximately 45.89% of the total issued share capital of the Company), Sol SPC directly holds 368,304,245 Shares with voting rights of the Company (representing approximately 10.54% of the total issued share capital of the Company). Mr. Wang Xuning directly holds 11,329,472 Shares with voting rights of the Company (representing approximately 0.32% of the total issued share capital of the Company), Ms. Han Run directly holds 2,832,368 Shares with voting rights of the Company (representing approximately 0.08% of the total issued share capital of the Company), and Ms. Yang Ningning directly holds 2,832,368 Shares with voting rights of the Company (representing approximately 0.08% of the total issued share capital of the Company). As at the Latest Practicable Date, 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 any of the resolution proposed at the Annual General Meeting and has to abstain from voting at the Annual General Meeting approving the resolution.

8. RECOMMENDATION

The Independent Board Committee, comprising of all of the independent non-executive Directors, has been 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.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers 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 (including the Consideration) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolution approving the Share Purchase Agreements at the Annual General Meeting.

The Directors consider that (i) the proposed re-election of the retiring Directors; (ii) the proposed granting of the Share Repurchase Mandate and Issuance Mandate to the Directors; (iii) the Final Dividend; (iv) the Share Purchase Agreements; and (v) other resolutions to be proposed at the Annual 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 all resolutions to be proposed at the Annual General Meeting.

9. 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

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)

April 28, 2021

To the Independent Shareholders

Dear Sir/Madam,

CONNECTED TRANSACTION
SHARE PURCHASE AGREEMENTS

We refer to the circular of the Company dated April 28, 2021 (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings herein unless the context otherwise requires.

We have been appointed to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the terms of the Share Purchase Agreements, details of which are set out in the letter from the Board contained in the Circular, are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

Having considered the terms of the Share Purchase Agreements and the advice of the Independent Financial Adviser in relation thereto as set out on pages 17 to 39 of the Circular, we are of the opinion that 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 (including the Consideration) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the AGM to approve the Transaction.

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

Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*
Dr. Wong Tin Yau Kelvin	**Mr. Timothy Roberts Warner**	**Mr. Yang Xianxiang**

The following is the full text of a letter of advice from China Tonghai Capital Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction, which has been prepared for the purpose of incorporation in this circular.

中國通海企業融資
CHINA TONGHAI CAPITAL

28 April 2021

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO SHARE PURCHASE AGREEMENTS

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transaction, details of which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular issued by the Company to the Shareholders dated 28 April 2021 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 6 April 2021, each Seller entered into the Share Purchase Agreement with the Purchaser, respectively, pursuant to which, the Seller collectively agreed to sell and the Purchaser agreed to purchase the Target Shares for a total consideration of approximately RMB1,155.61 million.

The Sellers are the Controlling Shareholders Group, Shanghai Hezhou and the Other Individual Shareholders include Mr. Cui Jianhua, Ms. Tian Deling and other individuals. Given that (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 a member of the Controlling Shareholders Group; (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) Mr. 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. As such, the Transaction constitutes a connected transaction of the Company, and is subject to the announcement, circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Transaction are more than 5%, but all of the applicable percentage ratios are less than 25%, therefore the Transaction constitutes a discloseable transaction of the Company, which is subject to the announcement requirement under Chapter 14 of the Listing Rules.

The resolution in relation to the Share Purchase Agreements and the transactions contemplated thereunder will be put forward in 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. To the best knowledge and belief of the Directors having made all reasonable enquiries, save as the aforesaid, no other Shareholders will be required to abstain from voting in respect of the relevant resolution.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Dr. Wong Tin Yau Kelvin, Mr. Timothy Roberts Warner and Mr. Yang Xianxiang, has been established to advise the Independent Shareholders in respect of the Transaction. We have been appointed as the independent financial adviser to give an independent opinion to the Independent Board Committee and the Independent Shareholders in such regard.

As at the Latest Practicable Date, China Tonghai Capital Limited did not have any relationships with or interests in the Group or the Sellers which could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group and China Tonghai Capital Limited. Apart from normal professional fees paid or payable to us in connection with this appointment as the independent financial adviser, no arrangement exist whereby we had received any fees or benefits from the aforesaid companies. Accordingly, we are qualified to give independent advice in respect of the Transaction.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on, among other things, (i) the information, facts and representations contained or referred to in the Circular; (ii) the information, facts and representations provided by the Company; (iii) the beliefs, opinions and intentions expressed by and the representations of the Directors and the management of the Group (the "**Management**"); (iv) the valuation report dated 28 April 2021 (the "**Valuation Report**") prepared by Shanghai Zhonghua Asset Evaluation Co., Ltd. (the "**Valuer**"); and (v) our review of the relevant public information. We have assumed that the information and facts contained in the Valuation Report, information, facts and opinions provided and representations and beliefs, opinions and intentions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and information, facts and representations made to us or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all statements of belief, opinions and intentions of the Directors and the Management and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information, representations, beliefs, opinions and intentions provided to us by the Directors and the Management which have been made after due and careful enquiries. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information, representations, beliefs, opinions and intentions provided to us or contained or referred to in the Circular and that all information or representations provided to us by the Directors and the Management are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until and including at the date of the AGM.

We consider that we have reviewed sufficient information currently available to reach an informed view so as to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided, representations made or belief, opinions and intentions expressed by the Directors and the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position, financial forecast or future prospects of the Group (including Shanghai Lihong and its subsidiaries (the "**Shanghai Lihong Group**")). We have not conducted any independent appraisal of the assets and liabilities of Shanghai Lihong, neither have we conducted any independent verification of the information contained in the Valuation Report.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendation, we have considered the following principal factors and reasons:

1. Reasons for and benefits of the Transaction

As disclosed in the Prospectus, upon completion of the then reorganisation of the Company, the Controlling Shareholders Group remained to hold the Remaining Interest, being approximately 13.604% equity interest in Shanghai Lihong, 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 Agreement to acquire the Target Shares, being approximately 16.247% equity interest in Shanghai Lihong.

As stated in the Letter from the Board, the Company will have full ownership and control over Shanghai Lihong, which enables the Company to better manage and operate Shanghai Lihong Group (including Joyoung and its subsidiaries (the "**Joyoung Group**")) and enjoy more economic benefits. Upon Completion, Shanghai Lihong will cease to be a connected subsidiary of the 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.

Overall comments

It is noted that Joyoung Group and the Group (other than the Joyoung Group) have entered into certain continuing connected transactions. Upon Completion, Shanghai Lihong will cease to be a connected subsidiary of the Company. As such, any transactions between the Shanghai Lihong Group (including the Joyoung Group) on one hand and the Group (other than the Shanghai Lihong Group) on the other hand will no longer constitute connected transactions that would be subject to disclosure and independent shareholders' approval requirement under the Listing Rules. Thus, we concur with the Company's view that any transactions between the Shanghai Lihong Group and the Group (other than the Shanghai Lihong Group) will be conducted in a more efficient and cost-saving way after Completion. More importantly, as the Controlling Shareholders Group will no longer own any interest in Shanghai Lihong, this will eliminate any potential or perceived conflict of interest for any transactions between the Shanghai Lihong Group and the Group (other than the Shanghai Lihong Group) after Completion.

As stated in the section headed "4. Information on Shanghai Lihong" below, the principal asset of Shanghai Lihong is the 50.12% equity interest in Joyoung. As shown in the section headed "5. Information on Joyoung" below, the Joyoung Group's revenue and net profit both grew for each of the two years ended 31 December 2020.

Having taken into account the aforesaid, we concur with the Directors' view that the Transaction is in the interests of the Company and the Shareholders as a whole. The fairness and reasonableness of the Consideration was analysed in the section headed "6. Evaluation of the Consideration" below.

2. The Share Purchase Agreements

On 6 April 2021, each Seller entered in to the Share Purchase Agreement with the Purchaser. Set out below are the principal terms of the Share Purchase Agreements:

Parties	:	Sellers: The Controlling Shareholders Group, Shanghai Hezhou and the Other Individual Shareholders Purchaser: JS Global Trading
Subject matter	:	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.
Consideration	:	The Consideration is approximately RMB1,155.61 million, which is payable by the Purchaser to the Sellers in cash within approximately three months after the Company is registered with the relevant PRC authorities as the legal owner of the Target Shares.
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 realisation accounts by the Sellers to receive their respective purchase price (the "**Seller Accounts**").
Completion	:	The 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.

3. Information on the Group

(a) Business

The Group is principally engaged in designing, manufacturing, marketing, exporting and distributing small kitchen electrical appliances under the brand of "Joyoung" and a full range of floor care products, hard-surface steam cleaning products, small kitchen appliances and garment care products under the brands of "Shark" and "Ninja".

The Joyoung segment offers small household appliances, focusing on kitchen and cleaning appliances in the PRC whereas the SharkNinja segment focuses on home environment appliances and kitchen appliances which are sold in North America, Europe, Japan and various other countries throughout the world.

(b) Financial results

Set out below are the consolidated income statements of the Group for the three years ended 31 December 2020 extracted from the annual report for the year ended 31 December 2019 (the "**2019 Annual Report**") and 31 December 2020 (the "**2020 Annual Report**") of the Company respectively:

	For the year ended 31 December		
	2020	2019	2018
	(audited)	(audited)	(audited)
	(US$'000)	*(US$'000)*	*(US$'000)*
Revenue	**4,195,816**	3,016,094	2,681,914
Cost of sales	**(2,453,030)**	(1,889,568)	(1,682,871)
Gross profit	**1,742,786**	1,126,526	999,043
Other income and gains	**71,220**	28,621	44,462
Selling and distribution expenses	**(695,517)**	(506,795)	(477,608)
Administrative expenses	**(487,349)**	(415,630)	(317,585)
Impairment losses on financial assets	**(12,602)**	(1,627)	(4,062)
Other expenses	**(11,111)**	(30,849)	(31,393)
Finance costs	**(80,493)**	(83,716)	(78,273)
Share of profits and losses of associates	**(159)**	2,450	5,809
Profit before tax	**526,775**	118,980	140,393
Income tax expense	**(124,469)**	(33,803)	(28,270)
Profit for the year	**402,306**	85,177	112,123
Profit attributable to equity holders of the Company	**344,430**	42,134	34,883

The following table sets out the Group's revenue and gross profit margin by business segment as extracted from the 2019 and 2020 Annual Report.

	For the year ended 31 December					
	2020 (audited)		2019 (audited)		2018 (audited)	
	(US$ million)	**%**	*(US$ million)*	%	*(US$ million)*	%
Revenue by segment						
Joyoung segment	**1,463.1**	**34.9**	1,280.0	42.4	1,179.0	44.0
Segment gross profit margin	**32.7%**		33.3%		32.3%	
SharkNinja segment	**2,732.7**	**65.1**	1,736.1	57.6	1,477.4	55.1
Segment gross profit margin	**46.3%**		40.3%		41.2%	
Other segment	**—**		—		26	0.9
Segment gross profit margin	**—**		—		33.9%	
Total revenue	**4,195.8**	**100.0**	3,016.1	100.0	2,681.9	100.0

Year ended 31 December 2019 compared to year ended 31 December 2018

Revenue increased by approximately 12.5% from approximately US$2,681.9 million for the year ended 31 December 2018 to approximately US$3,016.1 million for the year ended 31 December 2019 as a result of the increase in revenue from both of the Joyoung segment and the SharkNinja segment.

The increase in revenue generated from the Joyoung segment by approximately 8.6% from approximately US$1,179.0 million for the year ended 31 December 2018 to approximately US$1,280.0 million was mainly attributable to the user centric and demand oriented strategy, introducing a series of innovative as well as adorable and stylish products targeting young people to the market. The revenue generated from the Joyoung segment accounted for approximately 42.4% and 44.0% of the total revenue for the year ended 31 December 2019 and 31 December 2018 respectively.

For the year ended 31 December 2019, revenue from the SharkNinja segment amounted to US$1,736.1 million, representing an increase of approximately 17.5% from approximately US$1,477.4 million in the previous year. The revenue growth of the SharkNinja segment was mainly due to the increase in sales of cooking appliance in North America and strong sales growth in the European market. The revenue generated from the SharkNinja segment accounted for approximately 57.6% and 55.1% of the total revenue for the year ended 31 December 2019 and 31 December 2018 respectively.

Cost of sales mainly consists of procurement cost of finished products, raw materials and components, inbound transportation costs, taxes, duties and surcharges and other costs primarily consist of certain labour and overhead costs associated with the procurement and importation of finished goods.

The gross profit margin of the Joyoung segment and the SharkNinja segment remained stable for the year ended 31 December 2019 as compared to the year ended 31 December 2018.

Other income and gains decreased by approximately US$15.8 million to approximately US$28.6 million for the year ended 31 December 2019, primarily attributable to the decrease in gain on disposal of items of property, plant and equipment by approximately US$16.2 million for the year ended 31 December 2019 as compared to the previous year.

Selling and distribution expenses increased by approximately US$29.2 million from approximately US$477.6 million for the year ended 31 December 2018 to approximately US$506.8 million for the year ended 31 December 2019 mainly due to the increase in the warehousing and transportation expenses by approximately US$20.3 million for the year ended 31 December 2019 as compared to the previous year, which was mainly attributable to the increase in sales, higher inventory balances, growth in the Group's direct to consumer sales and reduction in the amount of direct import sales.

Administrative expenses increased by approximately 30.9%, or approximately US$98.0 million, from approximately US$317.6 million for the year ended 31 December 2018 to approximately US$415.6 million for the year ended 31 December 2019. The increase was primarily attributable to the expenses incurred in relation to the initial public offering in 2019 of approximately US$21.4 million and the increase in staff costs by approximately US$54.9 million as a result of the increase in salaries and the increase in the number of research and development staff.

As a result of the aforesaid, profit attributable to equity holders of the Company increased from approximately US$34.9 million for the year ended 31 December 2018 to approximately US$42.1 million for the year ended 31 December 2019.

Year ended 31 December 2020 compared to year ended 31 December 2019

Revenue increased by approximately 39.1% from approximately US$3,016.1 million for the year ended 31 December 2019 to approximately US$4,195.8 million for the year ended 31 December 2020.

The increase in revenue generated from the Joyoung segment by approximately 14.3% from approximately US$1,280.0 million for the year ended 31 December 2019 to approximately US$1,463.1 million was mainly attributable to the Group's new product launches, advantage in online channels amid the outbreak of COVID-19, actively explored marketing channels such as new retail and well-timed launch of a series of innovative, adorable and stylish products that satisfy consumers' life, cooking and cleaning demands. The revenue generated from the Joyoung segment accounted for approximately 34.9% and 42.4% of the total revenue for the year ended 31 December 2020 and year ended 31 December 2019 respectively.

For the year ended 31 December 2020, revenue from the SharkNinja segment amounted to US$2,732.7 million, representing an increase of approximately 57.4% from approximately US$1,736.1 million in the previous year. The revenue growth of the SharkNinja segment was attributable to the strong sales performance across all categories, the successful launch of new products in the second half of 2019 and in 2020, continued international expansion in Europe and Japan, and successful expansion into the German and French markets in 2020. The revenue generated from the SharkNinja segment accounted for approximately 65.1% and 57.6% of the total revenue for the year ended 31 December 2020 and year ended 31 December 2019.

Gross profit increased by approximately US$616.3 million, or approximately 54.7% to US$1,742.8 million for the year ended 31 December 2020 as compared to the previous year. The increase in gross profit margin from approximately 37.4% for the year ended 31 December 2019 to approximately 41.5% for the year ended 31 December 2020 was mainly attributable to the increase in the gross profit margin from approximately 40.3% to approximately 46.3% in the SharkNinja segment as a result of (i) the tariff refunds of approximately US$38.1 million recorded in 2020; (ii) cost savings initiatives; (iii) strong demand for the Group's products leading to a higher percentage of products sold at regular price rather than promotional price; (iv) increasing the selling prices on a number of products, and replacing old products with new products that commanded higher gross margins.

Selling and distribution expenses increased by approximately US$188.7 million from approximately US$506.8 million for the year ended 31 December 2019 to approximately US$695.5 million for the year ended 31 December 2020 as a result of the increase in advertising expenses by approximately US$92.8 million, increase in warehousing and transportation expenses by approximately US$40.2 million, and increase in trade marketing expenses by approximately US$51.7 million.

Administrative expenses increased by approximately 17.3% from approximately US$415.6 million for the year ended 31 December 2019 to approximately US$487.3 million for the year ended 31 December 2020. Such increase was mainly due to the impact of international business expansion as well as continued investment in research and development to support new products and technologies development.

As a result of the aforesaid, profit attributable to equity holders of the Company increased from approximately US$42.1 million for the year ended 31 December 2019 to approximately US$344.4 million for year ended 31 December 2020.

(c) Financial position

Set out below are the consolidated balance sheets of the Group extracted from the 2019 and 2020 Annual Report:

	As at 31 December		
	2020	2019	2018
	(audited)	(audited)	(audited)
	(US$'000)	*(US$'000)*	*(US$'000)*
ASSETS			
Non-current assets			
Property, plant and equipment	**208,432**	206,617	191,314
Goodwill	**848,238**	839,767	839,767
Other intangible assets	**562,447**	548,830	558,651
Other non-current assets	**321,277**	404,205	299,622
	1,940,394	1,999,419	1,889,354
Current assets			
Inventories	**575,497**	393,081	349,862
Trade and bills receivables	**1,203,531**	804,250	772,660
Cash and cash equivalents	**570,810**	421,316	180,872
Other current assets	**363,876**	156,726	107,951
	2,713,714	1,775,373	1,411,345
Total assets	**4,654,108**	3,774,792	3,300,699
LIABILITIES			
Current liabilities			
Trade and bills payables	**885,345**	530,137	408,632
Other payables and accruals	**642,638**	411,046	364,098
Other current liabilities	**89,876**	49,275	507,945
	1,617,859	990,458	1,280,675
Non-current liabilities			
Interest-bearing bank borrowings	**892,845**	1,049,119	699,721
Financial liabilities associated with put option	**—**	—	656,650
Other non-current liabilities	**223,037**	201,854	200,649
	1,115,882	1,250,973	1,557,020
Total liabilities	**2,733,741**	2,241,431	2,837,695

	As at 31 December		
	2020	2019	2018
	(audited)	(audited)	(audited)
	(US$'000)	*(US$'000)*	*(US$'000)*
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital	**1,132,231**	993,359	69,035
Reserves/(deficits)	**479,547**	294,462	(172,752)
	1,611,778	1,287,821	(103,717)
Non-controlling interests	**308,589**	245,540	566,721
	1,920,367	1,533,361	463,004

Total assets of the Group mainly consist of (i) goodwill; (ii) other intangible assets which are mainly trademarks, patents, retailer relationship and capitalised development costs; and (iii) trade and bills receivables. Total liabilities of the Group primarily consist of (i) interest-bearing bank borrowings; and (ii) trade and bills payables.

31 December 2019 compared to 31 December 2018

As at 31 December 2019, total assets amounted to approximately US$3,774.8 million, representing an increase of approximately 14.4% from approximately US$3,300.7 million as at 31 December 2018, primarily due to the increase in cash and cash equivalents as a result of the receipt of the proceeds of approximately US$354 million from the initial public offering.

Total liabilities amounted to approximately US$2,241.4 million, representing a decrease of 21.0% as compared to 31 December 2018, primarily attributable to the recognition of approximately US$657 million financial liabilities associated with put option in 2018, whereas there was no such recognition in as at 31 December 2019.

Equity attributable to equity holders of the Company increased from approximately US$ (103.7) million as at 31 December 2018 to approximately US$1,287.8 million as at 31 December 2019.

As at 31 December 2019, the Group had net current assets of approximately US$784.9 million. Current ratio (defined as total current assets divided by total current liabilities) was approximately 1.8 times as at 31 December 2019.

The net debt to total equity ratio (defined as total borrowings less cash and cash equivalents and divided by total equity) was approximately 42.7% as at 31 December 2019, as compared to approximately 216.9% as at 31 December 2018. The decrease in net debt to total equity ratio was principally due to the combined effect of the decrease in the net debt and the significant increase in equity as a result of the initial public offering in 2019.

31 December 2020 compare to 31 December 2019

As at 31 December 2020, total assets amounted to approximately US$4,654.1 million, representing an increase of approximately 23.3% from approximately US$3,774.8 million as at 31 December 2019, primarily due to the increase in trade and bills receivables from approximately US$804.2 million as at 31 December 2019 to approximately US$1,203.5 million as at 31 December 2020 and the increase in other payables and accruals by approximately US$231.6 million from approximately US$411.0 million as at 31 December 2019 to approximately US$642.6 million as at 31 December 2020, partially offset by the decrease in the interest-bearing bank borrowings by approximately US$135.9 million from approximately US$1,075.3 million as at 31 December 2019 to approximately US$939.4 million as at 31 December 2020.

Total liabilities increased to approximately US$2,733.7 million as at 31 December 2020, representing an increase of approximately 22.0%, from approximately US$2,241.4 million as at 31 December 2019, mainly attributable to the increase in trade and bills payables from approximately US$530.1 million as at 31 December 2019 to approximately US$885.3 million as at 31 December 2020.

Equity attributable to equity holders of the Company increased by approximately 25.2% to approximately US$1,611.8 million as at 31 December 2020 as compared to 31 December 2019.

As at 31 December 2020, the Group had net current assets of approximately US$1,095.9 million. Current ratio was approximately 1.7 times as at 31 December 2020.

The net debt to total equity ratio was approximately 19.2% as at 31 December 2020 as compared to approximately 42.7% as at 31 December 2019. The decrease in net debt to total equity ratio as at 31 December 2020 was mainly due to the combined effect of the decrease in interest-bearing bank borrowings and the increase in equity.

4. Information on Shanghai Lihong

(a) Business

Shanghai Lihong, an indirect non-wholly owned subsidiary of the Company, is incorporated in the PRC with limited liability. Shanghai Lihong is an enterprise management company. As at the Latest Practicable Date, Shanghai Lihong held two subsidiaries, namely Joyoung as to approximately 50.12% and Zheng Hong Development Company Limited ("**Zheng Hong**") as to 100%. Given that Zheng Hong is not engaged in any business operations, the value of Shanghai Lihong's equity investment in Zheng Hong is insignificant whereas the 50.12% equity interest in Joyoung constitutes the principal asset of Shanghai Lihong.

(b) Shareholding structure

The simplified shareholding structures of Shanghai Lihong as at the Latest Practicable Date and upon Completion are set out below:

Shareholders of Shanghai Lihong	**As at the Latest Practicable Date**	**Upon Completion**
	Approximate %	*Approximate %*
JS Global Trading *(Note)*	82.898%	99.145%
Controlling Shareholders Group	13.604%	—
Shanghai Hezhou	0.003%	—
Other Individual Shareholders	2.640%	—
Easy Appliance (Hong Kong) *(Note)*	0.855%	0.855%
Total	100.000%	100.000%

Note: JS Global Trading and Easy Appliance (Hong Kong) are wholly-owned subsidiaries of the Company.

Upon Completion, Shanghai Lihong will become an indirect wholly-owned subsidiary of the Company.

(c) Financial information

(i) Financial information of Shanghai Lihong

Set out below is the financial information extracted from the income statements of Shanghai Lihong (Zheng Hong not included) for the two years ended 31 December 2020:

	For the year ended 31 December	
	2020	2019
	(audited)	(audited)
	(RMB'000)	*(RMB'000)*
Net profit before taxation	**277,231**	475,995
Net profit after taxation	**274,689**	475,995

Based on the audited financial statements of Shanghai Lihong for each of the two years ended 31 December 2020, net profit of Shanghai Lihong was primarily attributable to the dividend income from Joyoung. Dividend income from Joyoung accounted for over 93% of total income for each of the two years ended 31 December 2020.

Set out below is the financial information extracted from the balance sheets of the Shanghai Lihong (Zheng Hong not included) as at 31 December 2019 and 31 December 2020:

	As at 31 December	
	2020	2019
	(audited)	(audited)
	(RMB'000)	*(RMB'000)*
Total assets	**13,627,194**	1,355,296
Total liabilities	**3,195,450**	538
Total equity	**10,431,744**	1,354,758

Based on the balance sheet of Shanghai Lihong as at 31 December 2020, the 50.12% equity interest in Joyoung held by Shanghai Lihong accounted for approximately 90.4% of the total assets of Shanghai Lihong.

Total assets increased by approximately RMB12,271.9 million from approximately RMB1,355.3 million as at 31 December 2019 to approximately RMB13,627.2 million as at 31 December 2020, primarily due to the combined effect of the increase in cash and cash equivalents and the increase in the value of other equity investment, being the 50.12% equity interest in Joyoung.

Total liabilities increased by approximately RMB3,194.9 million from approximately RMB0.5 million as at 31 December 2019 to approximately RMB3,195.5 million as at 31 December 2020, primarily due to the deferred tax liabilities of approximately RMB3,007.4 million as at 31 December 2020 as a result of the change in accounting policy. No deferred tax liabilities were recognised as at 31 December 2019.

(ii) Financial information of Joyoung

Please refer to the section headed "5. Information on Joyoung" below.

(iii) Financial information of Zheng Hong

Set out below is the financial information extracted from the income statements of Zheng Hong for the two years ended 31 December 2020:

	For the year ended 31 December	
	2020	2019
	(unaudited)	(audited)
	(US'000)	*(US'000)*
Net loss before taxation	**(22)**	(13,060)
Net loss after taxation	**(22)**	(13,060)

As at 31 December 2020, the unaudited total asset and net liabilities of Zheng Hong were approximately US$2,033,551 and approximately US$5,628,045 respectively. The net liabilities were mainly attributable to the RMB50 million (approximately US$7.65 million) loan between Zheng Hong and Shanghai Lihong.

Overall comments

Based on our view of the historical financial information, the principal asset of Shanghai Lihong was the 50.12% equity interest in Joyoung and dividend income from Joyoung was principal income contributor of Shanghai Lihong.

5. Information on Joyoung

(a) Business

The Joyoung Group is principally engaged in the manufacture and sale of small household appliances including food processors, nutritious food cookers, western appliances, and induction cookers in PRC. Joyoung has been listed on the Shenzhen Stock Exchange since 28 May 2008.

(b) Financial results

Set out below are the consolidated income statements of the Joyoung Group for the three years ended 31 December 2020 as extracted from the annual reports of Joyoung for the years ended 31 December 2019 and 31 December 2020:

	For the year ended 31 December		
	2020	2019	2018
	(audited)	(audited)	(audited)
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Revenue	**11,223,748**	9,351,440	8,168,709
Cost of sales	**(7,626,330)**	(6,310,180)	(5,544,215)
Gross profit	**3,597,418**	3,041,259	2,624,494
Gross profit margin	**32.1%**	32.5%	32.1%
Selling and marketing expenses	**(1,867,758)**	(1,476,528)	(1,376,709)
Administrative expenses	**(398,105)**	(388,886)	(310,304)
Research and development expenses	**(345,842)**	(330,379)	(297,667)
Finance income, net	**(1,063)**	24,509	10,793
Other income and expenses, net	**81,768**	72,819	227,731
Operating profit	**1,066,418**	942,794	878,338
Other non-operating income	**6,025**	6,140	3,750
Other non-operating expenses	**(9,574)**	(9,014)	(11,053)
Profit before income tax	**1,062,869**	939,920	871,035
Income tax expenses	**(146,555)**	(134,160)	(129,374)
Profit for the year	**916,314**	805,760	741,662
Profit attributable to the equity holders of Joyoung	**940,080**	824,105	754,255

Year ended 31 December 2019 compared to year ended 31 December 2018

Revenue increased by approximately 14.5%, or approximately RMB1,182.7 million, from approximately RMB8,168.7 million for the year ended 31 December 2018 to approximately RMB9,351.4 million for the year ended 31 December 2019. This was primarily attributable to (i) the increase in sales of food processors by approximately 20.2%, or approximately RMB688.6 million; and (ii) the increase in sales of food cookers by approximately 13.3%, or approximately RMB365.1 million.

Gross profit margin remained at about 32% for each of the two years ended 31 December 2019.

Administrative expenses were approximately RMB388.9 million for the year ended 31 December 2019, representing an increase of RMB78.6 million from approximately RMB310.3 million for the year ended 31 December 2018. The increase in administrative expenses was mainly due to the increase in staff costs by approximately RMB45.2 million.

Profit attributable to the equity holders of Joyoung increased by approximately 9.3% from approximately RMB754.3 million for the year ended 31 December 2018 to approximately RMB824.1 million for the year ended 31 December 2019.

Year ended 31 December 2020 compared to year ended 31 December 2019

Revenue increased by approximately 20.0%, or approximately RMB1,872.3 million, from approximately RMB9,351.4 million for the year ended 31 December 2019 to approximately RMB11,223.7 million for the year ended 31 December 2020. This was primarily attributable to (i) the increase in sales of food processors by approximately 16.1%, or approximately RMB658.5 million; and (ii) the increase in sales of food cookers by approximately 12.1%, or approximately RMB374.4 million.

Gross profit margin remained at about 32% for each of the two years ended 31 December 2020.

Selling and marketing expenses were approximately RMB1,867.8 million for the year ended 31 December 2020, representing an increase of RMB391.3 million from approximately RMB1,476.5 million for the year ended 31 December 2019. Such increase was mainly due to the increase in the channel expenses, after-sale service cost and advertising expenses by approximately RMB295.9 million during the year.

Profit attributable to the equity holders of Joyoung increased by approximately 14.1% from approximately RMB824.1 million for the year ended 31 December 2019 to approximately RMB940.1 million for the year ended 31 December 2020.

(c) Financial position

Sets out below are the consolidated balance sheets of the Joyoung Group extracted from the annual reports of Joyoung for the year ended 31 December 2019 and 31 December 2020:

	As at 31 December		
	2020	2019	2018
	(audited)	(audited)	(audited)
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
ASSETS			
Non-current assets			
Available-for-sale financial assets	**—**	—	453,798
Long-term equity investments	**182,672**	255,067	257,140
Other equity investments	**261,575**	267,223	—
Other non-current financial assets	**354,581**	284,203	—
Investment property	**91,012**	162,606	175,282
Fixed assets	**646,311**	680,645	701,563
Other non-current assets	**298,960**	295,966	253,406
	1,835,111	1,945,710	1,841,189
Current assets			
Cash and cash equivalents	**1,961,209**	1,603,256	1,090,753
Financial assets	**1,246,680**	178,413	—
Trade and bills receivables	**2,107,932**	1,442,380	2,572,242
Other receivable	**168,783**	23,974	26,309
Inventories	**944,929**	1,086,324	747,355
Other current assets	**870,183**	1,187,746	382,238
	7,299,716	5,522,093	4,818,897
Total assets	**9,134,827**	7,467,803	6,660,086
LIABILITIES			
Current liabilities			
Trade and bills payables	**3,672,787**	2,781,334	1,763,790
Tax payables	**101,144**	180,112	139,043
Other payables	**143,384**	96,630	186,129
Other current liabilities	**882,347**	642,003	738,634
	4,799,662	3,700,079	2,827,596

	As at 31 December		
	2020	2019	2018
	(audited)	(audited)	(audited)
	(RMB'000)	*(RMB'000)*	*(RMB'000)*
Non-current liabilities			
Deferred tax liabilities	**51,103**	16,738	350
Other non-current liabilities	**1,570**	—	2,280
	52,673	16,738	2,630
Total liabilities	**4,852,335**	3,716,817	2,830,226
EQUITY			
Equity attributable to the equity holders of Joyoung	**4,283,762**	3,753,066	3,810,291
Non-controlling interests	**(1,270)**	(2,080)	19,569
	4,282,492	3,750,986	3,829,860

Total assets mainly consist of (i) cash and cash equivalents; (ii) financial assets; and (iii) trade and bills receivables. Total liabilities primarily consist of trade and bills payables.

31 December 2019 compared to 31 December 2018

As at 31 December 2019, total assets amounted to approximately RMB7,467.8 million, representing an increase of approximately 12.1%, or approximately RMB807.7 million, compared to 31 December 2018, primarily due to the increase in cash and cash equivalents by approximately RMB512.5 million as a result of the net cash inflow from operating activities of approximately RMB1,253.0 million that was partially offset by the net cash outflows in investing activities and financing activities.

Total liabilities amounted to approximately RMB3,716.8 million as at 31 December 2019, representing an increase of approximately 31.3%, or approximately RMB886.6 million as compared to 31 December 2018, primarily due to the increase in trade and bills payables by approximately RMB1,017.5 million.

Equity attributable to the equity holders of Joyoung decreased slightly from approximately RMB3,810.3 million as at 31 December 2018 to approximately RMB3,753.1 million as at 31 December 2019.

The current ratios of Joyoung Group were approximately 1.5 times and 1.7 times as at 31 December 2019 and 31 December 2018, respectively.

31 December 2020 compared to 31 December 2019

As at 31 December 2020, total assets amounted to approximately RMB9,134.8 million, representing an increase of approximately 22.3%, or approximately RMB1,667.0 million, as compared to 31 December 2019, primarily due to the increase in financial assets by approximately RMB1,068.3 million as a result of the increase in the financial products by approximately RMB917.9 million compared to 31 December 2019.

Total liabilities amounted to approximately RMB4,852.3 million as at 31 December 2020, representing an increase of approximately 30.6%, or approximately RMB1,135.5 million, as compared to 31 December 2019, primarily due to the increase in trade and bills payables by approximately RMB891.5 million.

Equity attributable to the equity holders of Joyoung increased from approximately RMB3,753.1 million as at 31 December 2019 to approximately RMB4,283.8 million as at 31 December 2020.

The current ratios of Joyoung Group were remained at 1.5 times at 31 December 2020 and 31 December 2019.

Overall comments

As stated in the section headed "3. Information on the Group" above, one of the principal activities of the Group is the manufacture and sale of small kitchen electrical appliances under the brand of "Joyoung" in PRC. The revenue from the Joyoung segment accounted for approximately 34.9% of the total revenue of the Group for the year ended 31 December 2020 (year ended 31 December 2019: approximately 42.4%). The revenue from the Joyoung segment recorded year-on-year growth rates of approximately 8.6% and approximately 14.3% for the year ended 31 December 2019 and the year ended 31 December 2020, respectively.

As shown in this section, net profit of the Joyoung Group increased by approximately 9.3% from the year ended 31 December 2019 to the year ended 31 December 2020 and further increased by approximately 14.1% to approximately RMB940.1 million for the year ended 31 December 2020.

Given that (i) the Joyoung segment is a major revenue contributor to the Group and (ii) the Joyoung Group's revenue and net profit both grew for each of the two years ended 31 December 2020, we consider that the Transaction is in the interests of the Company and the Shareholders as a whole in this regard.

6. Evaluation of the Consideration

The Consideration was determined after arm's length negotiations between the parties with reference to, among others, the value of the Target Shares as at the valuation date of 31 January 2021 (the "**Appraised Value**"), being approximately RMB1,275.6 million as set out in the Valuation Report. The Consideration of approximately RMB1,155.61 million, representing a discount of approximately 9.41% to the Appraised Value.

As stated in the section headed "4. Information on Shanghai Lihong" above, Zheng Hong is not engaged in any business operations and the principal asset of Shanghai Lihong is the 50.12% equity interest in Joyoung. As Joyoung Shares are traded on an open and liquid market, we consider that the fair value of the Joyoung Shares held by Shanghai Lihong shall be based on market price but not the underlying net asset value of the Joyoung Group. The Valuer has adopted the market price to determine the appraised value of the Joyoung Shares held by Shanghai Lihong as discussed below.

In order to assess the basis in determining the Appraised Value, we have reviewed the Valuation Report and discussed with the Valuer. We noted that the Valuation Report was prepared in accordance with the Asset Valuation Standards — Basic Standards issued by the Ministry of Finance and the Principles of Asset Appraisal Practice and Code of Ethics issued by China Appraisal Society. In addition, we have also reviewed and enquired the Valuer's qualification and experience in relation to the business valuation. We understand that the Valuer has the relevant experience and the Valuer is independent of the Company, its subsidiaries, holding companies and associated companies as well as the Sellers. We have reviewed the scope of the Valuer's mandate and there is no qualification in scope that would adversely impact the reliability of the Valuation Report.

Following discussions with the Valuer, we understand that the Valuer has considered (i) income approach; (ii) market approach; and (iii) asset-based approach. The Valuer has considered that the income approach was not appropriate as the future operating and financial performance of Joyoung and the Investee (as defined below) is highly uncertain. The Valuer has considered that the market approach was not appropriate due to the fact that no comparable companies of Shanghai Lihong with sufficient operational and financial data are available on the public domain. The Valuer has adopted the asset-based approach that involves the assessment of the value of individual items of assets and liabilities as of the valuation date. Taking into consideration of Shanghai Lihong is an investment holding company, in particular, its principal asset is the 50.12% equity interest in Joyoung and shares of Joyoung (the "**Joyoung Shares**") are traded on an open and liquid market, we consider that the asset-based approach is appropriate in determining the Appraised Value.

The Valuer has determined the Appraised Value as at 31 January 2021 with reference to the audited financial statements of Shanghai Lihong for the 25 months ended 31 January 2021.

Based on the Valuation Report and our discussion with the Valuer, the valuation methodologies adopted by the Valuer on major items of assets and liabilities (with appraised value in bracket) are summarised below:

— *Cash and bank balances (approximately RMB1,072.3 million).* The Valuer has checked the bank statements and bank reconciliation to verify the amount as at 31 January 2021. The appraised value of cash and bank balances is equivalent to the book value as at 31 January 2021.

— *Other receivables (approximately RMB96.3 million).* We understand that the Valuer has agreed the balances of other receivables to accounting records and the relevant agreements as well as sent confirmations to debtors of material balance to verify the outstanding balances. The Valuer has assessed the recoverability of other receivables to determine the appraised value.

— *Long-term equity investment (approximately RMB102.8 million).* The long-term investment represented the holding of approximately 15.58% equity interest in a fund (the "**Investee**") that is principally engaged in investment in private companies in PRC. The Valuer has checked the documents including the investment agreement and accounting record to verify the existence of the investment, the shareholding interest and the investment amount of Shanghai Lihong in the Investee. The appraised value of the long-term equity investment is equivalent to 15.58% of net asset value of the Investee based on the accounts of the Investee as at 31 December 2020.

— *Other equity investment (approximately RMB10,839.7 million).* Other equity investment represented the holding of approximately 50.12% equity interest in Joyoung. The appraised value of the shares of Joyoung Joyoung Shares held by Shanghai Lihong was determined based on the closing price of Joyoung Shares of RMB28.19 as at the valuation date, being 31 January 2021 (the "**Joyoung Benchmark Price**").

We have assessed the Joyoung Benchmark Price, details of which were set out in the section headed "7. Assessment of the Joyoung Benchmark Price" below. Based on our comparison, the then prevailing average share prices prior to the date of the Share Purchase Agreements were higher than the Joyoung Benchmark Price.

— *Deferred tax liabilities (approximately RMB2,637.3 million).* The appraised value of deferred tax liabilities as at 31 January 2021 was calculated based on the difference between the investment cost and the fair value of the Joyoung Shares held by Shanghai Lihong as at 31 January 2021 based on the Joyoung Benchmark Price and the applicable tax rate.

— *Tax payables and other payables (approximately RMB187.9 million).* The Valuer has assessed the amount of actual tax payables and other payables borne by Shanghai Lihong as at 31 January 2021. The appraised value of tax payables and other payables items are equivalent to their book value as at 31 January 2021.

The Valuer has applied a discount for lack of marketability ("**DLOM**") of 15.8% in deriving the Appraised Value. The DLOM reflects the fact that there is no ready market for shares of private companies. We understand that the DLOM of 15.8% adopted by the Valuer is the same as the median DLOM as stated in the 2020 edition of Stout Restricted Stock Study Companion Guide by Stout Risius Ross, LLC. The Valuer advised that the median DLOM adopted is more appropriate than the average DLOM as the median DLOM excludes the extreme cases and, thus, the median DLOM is more representative. Based on the website of Business Valuation Resources, LLC and Stout Risius Ross, LLC, it is noted that (i) Stout Risius Ross, LLC is a global investment bank and advisory firm specialising in corporate finance, valuation, financial disputes, and investigations; and (ii) the Stout Restricted Stock Study Companion Guide is the largest fully-vetted discount for DLOM database that provides the empirical support needed to determine a DLOM. As advised by the Valuer, the Stout Restricted Stock Study Companion Guide is commonly used by valuers to determine DLOM. We have searched on the website of the Stock Exchange and we note that certain valuation reports (contained in circulars issued by listed companies) adopted the Stout Restricted Stock Study Companion Guide to determine DLOM. Based on the aforementioned, we consider that the DLOM adopted by the Valuer to be appropriate.

Overall comments

We have discussed with the Management in respect of the nature of the assets and liabilities. We have reviewed the valuation methodologies and basis for the individual items of assets and liabilities as set out in the Valuation Report. We have also discussed with the Valuer the valuation methodologies and the basis adopted in arriving at the Appraised Value as well as its due diligence work. The Valuer has determined the Appraised Value with reference to the audited financial statements of Shanghai Lihong for the 25 months ended 31 January 2021. It is noted that the financial statements were audited by PRC certified public accountants.

Taking into consideration of (i) we consider that the valuation methodologies and basis adopted by the Valuer are appropriate; (ii) the then prevailing average Joyoung Share prices prior to the date of the Share Purchase Agreements were higher than the Joyoung Benchmark Price; and (iii) the Consideration represented a discount of approximately 9.41% to the Appraisal Value, we consider that the Consideration is fair and reasonable so far as the Independent Shareholders are concerned.

7. Assessment of the Joyoung Benchmark Price

As stated in the section headed "6. Evaluation of the Consideration" above, the Valuer has determined the fair value of the Joyoung Shares held by Shanghai Lihong as at 31 January 2021 based on the Joyoung Benchmark Price, being RMB28.19 per Joyoung Share.

Joyoung Shares are listed on the Shenzhen Stock Exchange. Thus, we consider that the adoption of the Joyoung Benchmark Price to determine the appraised value of the Target Shares as at 31 January 2021 is appropriate. As Joyoung Shares are traded on an open and liquid market, we consider that for the purpose of assessing the Joyoung Benchmark Price, the then prevailing market prices prior to the execution of the Share Purchase Agreements shall be considered.

The Joyoung Benchmark Price of RMB28.19 per Joyoung Share represents:

(i) a discount of approximately 15.17% to the closing price of RMB33.23 per Joyoung Share as quoted on the Shenzhen Stock Exchange on the date of the Share Purchase Agreements, being 6 April 2021 (the "**Last Trading Date**");

(ii) a discount of approximately 12.59% to the average closing price of approximately RMB32.25 per Joyoung Share as quoted on the Shenzhen Stock Exchange for the five trading days up to and including the Last Trading Date;

(iii) a discount of approximately 9.47% to the average closing price of approximately RMB31.14 per Joyoung Share as quoted on the Shenzhen Stock Exchange for the 10 trading days up to and including the Last Trading Date;

(iv) a discount of approximately 9.82% to the average closing price of approximately RMB31.26 per Joyoung Share as quoted on the Shenzhen Stock Exchange for the 30 trading days up to and including the Last Trading Date; and

(v) a discount of approximately 12.32% to the average closing price of approximately RMB32.15 per Joyoung Share as quoted on the Shenzhen Stock Exchange for the 90 trading days up to and including the Last Trading Date.

As shown above, the Joyoung Benchmark Price is lower than the then prevailing Joyoung Share prices prior to the Last Trading Date.

It is noted that the Joyoung Benchmark Price is equivalent to the lowest closing Joyoung Share price for the one year period up to and including the Last Trading Date, being RMB28.19 per Joyoung Share.

Overall comments

Based on the fact that the Joyoung Benchmark Price is lower than the then prevailing Joyoung Share prices prior to the Last Trading Date, we consider that the Joyoung Benchmark Price is favourable so far as the Independent Shareholders are concerned.

8. Financial effects of the Transaction

Shanghai Lihong is a non-wholly subsidiary of the Company and its financial results are consolidated to the consolidated accounts of the Group. After completion of the Transaction, the Company's equity interest in Shanghai Lihong will increase from approximately 83.753% to 100%. The financial effects of the Transaction set out below are hypothetical analyses based on historical financial results.

(a) Earnings

As Shanghai Lihong recorded profits for each of the two years ended 31 December 2020, it is expected that the Group's share of profit in Shanghai Lihong would be increased following Completion.

(b) Working capital

As at 31 December 2020, the Group had cash and cash equivalents and interest-bearing bank borrowings of approximately US$570.8 million and US$939.4 million, respectively. Net debt (defined as borrowings less cash and cash equivalents) of approximately US$368.6 million. For illustrative purpose, the Consideration of approximately RMB1,155.61 million is equivalent to approximately US$176.2 million.

As stated in the Letter from the Board, the Group has sufficient cash resources generated from its business operations and is therefore able to pay the Consideration with its proprietary funds.

We are advised that taking into account the financial resources and banking facilities available to the Group, the Management consider that there will be no material adverse impact on the working capital position of the Group upon Completion.

(c) Assets and liabilities

The audited consolidated net asset value of the Group was approximately US$1,920.4 million as at 31 December 2020. As confirmed by the Management, the Transaction would not have any material impact on the net asset value of the Group.

It should be noted that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial performance and position of the Group will be upon Completion.

Overall comments

Based on the historical financial results of Shanghai Lihong, it is expected that the Group's share of profit in Shanghai Lihong would be increased and no material adverse impacts on working capital position of the Group following Completion.

RECOMMENDATION

Having considered the principal factors and reasons described above, we consider that the terms of the Share Purchase Agreements are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned. We also consider that the entering into of the Share Purchase Agreements, while not in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the AGM to approve the Share Purchase Agreements and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
China Tonghai Capital Limited

Noelle Hung
Managing Director

Ms. Noelle Hung is a licensed person and a responsible officer of China Tonghai Capital Limited registered with the Securities and Futures Commission to carry out type 6 (advising on corporate finance) regulated activity under the SFO. She has over 20 years of experience in corporate finance.

The following are the biographical details of the Directors who will retire, and being eligible, offer themselves for re-election at the Annual General Meeting.

EXECUTIVE DIRECTORS

Mr. Wang Xuning (王旭寧), age 52, has been the Chairman and Chief Executive Officer of the Company since June 25, 2019, an executive Director of the Company since July 2018, and the Global Chief Executive Officer of SharkNinja Global SPV, Ltd. since September 2017. He has been the Chairman of the Strategy Committee and the Nomination Committee of the Company since the Listing Date. Mr. Wang has held several positions within the Group, including serving as a director of SharkNinja Operating LLC since April 2019, a director of SharkNinja Sales Company since September 2017, and the Chairman of Joyoung since September 2007. He also served as the General Manager and the President of Joyoung from September 2007 to March 2019. In 1994, Mr. Wang founded the Group by first conducting research and development on fully automatic soymilk maker. Mr. Wang received several awards and recognitions for his industry expertise, including being awarded the Ernst & Young (China) Entrepreneur Award (安永(中國)企業家獎) in 2012, being listed as one of the "Top Ten Innovative Figures in Household Appliance Industry of China (中國家電十大創新人物)" by people.com.cn (人民網) in December 2008 and he received the Highest Technology Award of Jinan (濟南市科技最高獎) in 2011. Mr. Wang was recognized as a senior engineer in October 1999.

Mr. Wang received a Bachelor's degree in electric traction and transmission control from Beijing Jiaotong University (北京交通大學) (formerly known as North Jiaotong University (北方交通大學)) in China in July 1991, and a Master of Business Administration from China Europe International Business School (中歐國際工商學院) in China in October 2003.

Mr. Wang has entered into a service contract with the Company for a term of three years commencing on October 9, 2019, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association. As at the Latest Practicable Date, Mr. Wang was interested in 2,017,200,466 Shares, representing 57.72% of the issued Share capital of the Company.

Ms. Han Run (韓潤), age 42, has been an executive Director and the Chief Financial Officer of the Company since June 25, 2019 and a member of the Remuneration Committee of the Company since the Listing Date. Ms. Han has held several positions within the Group, including serving as the Vice Chairwoman of Joyoung since April 2019, and a director of SharkNinja Global SPV, Ltd. since September 2017. She also served as the Board Secretary and Vice General Manager of Joyoung from March 2015 to March 2019, the Vice President of Joyoung from March 2007 to March 2015, the Director of legal department of the board and the Chief Officer of the administrative center of Shandong Joyoung Small Appliance Limited from March 2005 to March 2007, and the Manager of the administrative center of Shandong Joyoung Small Appliance Limited from February 2004 to April 2005. Ms. Han also holds several positions within non-commercial organizations. She has served as the Vice President of China Household Electrical Appliances Association (中國家用電器協會) since December 2015, and successively served as a member of the eighth and ninth sessions of the Huaiyin District Committee of the CPPCC (政協槐蔭區委員會) since 2012. Ms. Han was granted the "New Fortune Gold Medal Board Secretary (新財富金牌董秘)" by New Fortune magazine in April 2019, the "Industry Elite Award (行業精英獎)" at the

30th anniversary ceremony of the China Household Electrical Appliances Association (中國家用電器協會) in December 2018, the "Advanced Individual of Enterprise Intellectual Property (企業知識產權工作先進個人)" by the State Intellectual Property Office (國家知識產權局) in December 2016, as well as the "First Award of the Science and Technology Progress of China Light Industry Council (中國輕工業聯合會科學技術進步一等獎)" by the China Light Industry Council (中國輕工業聯合會) in 2014.

Ms. Han received an Executive Master of Business Administration from Guanghua School of Management of Peking University (北京大學光華管理學院) in China in January 2014.

Ms. Han has entered into a service contract with the Company for a term of three years commencing on October 9, 2019, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association. As at the Latest Practicable Date, Ms. Han was interested in 1,614,907,803 Shares, representing 46.21% of the issued Share capital of the Company.

Ms. Huang Shuling (黃淑玲), age 57, has been an executive Director since June 25, 2019. Ms. Huang has also been an executive director of Shanghai Lihong since November 2010, and the Chairwoman and General Manager of Shanghai Lihong since December 2018. She served as the Vice Chairwoman of Joyoung from September 2007 to March 2019, and the Chairwoman of Shandong Joyoung Small Appliance Limited from July 2002 to September 2007. Ms. Huang co-founded the Group in October 1994. She has also held several other positions within non-commercial organizations, including serving as a standing committee member of the Twelfth Session of Executive Committee of All-China Federation of Industry and Commerce (中華全國工商業聯合會第十二屆執行委員會) since November 2017. She is also currently the Vice Chairwoman of the Association of Industry and Commerce of Shandong (山東省工商業聯合會) and a standing committee member of the twelfth session of the Shandong Committee of the CPPCC (政協山東省委員會).

Ms. Huang received a Bachelor of Economics in planning statistics from Shandong University of Finance and Economics (山東財經大學) (formerly known as Shandong Economic School (山東經濟學院)) in Shandong, China in July 1987, and an Executive Master of Business Administration in senior management business administration from Cheung Kong School of Business (長江商學院) in Beijing, China in September 2007.

Ms. Huang has entered into a service contract with the Company for a term of three years commencing on October 9, 2019, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association. As at the Latest Practicable Date, Ms. Huang was interested in 1,603,578,331 Shares, representing 45.89% of the issued Share capital of the Company.

Each of Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling will not receive any director's fee from the Company for their directorship in the Company, but the expenses incurred in connection with their discharge of duties as Directors will be borne by the Company.

NON-EXECUTIVE DIRECTORS

Mr. Hui Chi Kin Max (許志堅), age 48, has been a non-executive Director since June 25, 2019 and a member of the Strategy Committee of the Company since the Listing Date, and has also served as a director of SharkNinja Global SPV, Ltd., primarily responsible for company oversight and formation from July 2017 to July 2020. Mr. Hui has more than 20 years of experience in investment and fund management. He has served as the Chief Executive Officer and a managing director of CDH Investment Advisory Private Limited in Singapore since July 2013, Mr. Hui is also an investment committee member of the private equity division at CDH Investments. From 2009 to 2017, Mr. Hui also served as a non-executive director of China Modern Dairy Holdings Ltd. (中國現代牧業控股有限公司), a company listed on the Stock Exchange (Stock Code: 01117), for corporate development and strategic planning from 2009 to 2017. Prior to joining CDH Investments in 2003, Mr. Hui worked with the investment banking department of Schroders & Co in New York and the private equity division of Morgan Stanley Dean Witter Asia in Hong Kong from 1999 to 2003. Prior to working in the financial industry, Mr. Hui was an engineer at the oil and gas pipeline division of Bechtel Corporation in San Francisco from 1997 to 1998.

Mr. Hui received a Bachelor's degree in chemical engineering from the University of California, Berkeley in December 1996, and a Master of Engineering from Princeton University in June 1999.

Mr. Hui has entered into a service contract with the Company for a term of three years commencing on October 9, 2019, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association. Under the service contract, Mr. Hui is entitled to a director's remuneration, which was determined by the Company with reference to the operating results of the Group and the director's performance. Mr. Hui will not receive any director's fee for his directorship in the Company, but the expenses incurred in connection with his discharge of duties as a Director will be borne by the Company. During his tenure in acting as a non-executive Director and a member of the Strategy Committee, Mr. Hui has devoted significant time and efforts in attending to various business affairs of the Company that were brought to the attention, or which required the supervision, of the Board and/or the Strategy Committee, and with respect to which he has rendered valuable contribution.

Mr. Stassi Anastas Anastassov, age 59, has been a non-executive Director since June 25, 2019 and a member of the Strategy Committee of the Company since the Listing Date. He has served as a Senior Consultant in Total Shareholder Return Limited, a private equity-focused advisory firm, since July 2015. He served as the U.S.A. Global President and Chief Executive Officer of Duracell Company, a former division of Procter & Gamble ("**P&G**"), from November 2010 to January 2015. From 2001 to November 2010 he served as a Vice President at P&G, being responsible for babycare products, feminine care products and snacks in the Central Europe, Eastern Europe, Middle East and Africa markets. From July 1999 to June 2001 he was a General Manager of P&G responsible for Near East Markets (including Lebanon, Jordan, Syria and Israel) and the Eastern Europe market (Moscow). From May 1987 to August 1999 he held different positions within P&G, successively serving as an Assistant Brand Manager being responsible for babycare products in France, a Brand Manager being responsible for paper and dish products in Nordic, a Marketing Manager being responsible for laundry and cleaning products in Nordic, a Marketing Director in charge of marketing operations in Russia and a General Manager being responsible for Russian business operations covering laundry, cleaning, baby and feminine products.

Mr. Anastassov received a Bachelor's degree in business administration and economics from Uppsala University in Sweden in June 1987.

Mr. Anastassov has entered into a service contract with the Company for a term of three years commencing on October 9, 2019, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association. Under the service contract, Mr. Anastassov is entitled to a director's remuneration of HK$300,000 per year, which was determined by the Company with reference to the operating results of the Group and the director's performance. During his tenure in acting as a non-executive Director and a member of the Strategy Committee, Mr. Anastassov has devoted significant time and efforts in attending to various business affairs of the Company that were brought to the attention, or which required the supervision, of the Board and/or the Strategy Committee, and with respect to which he has rendered valuable contribution.

Mr. Mao Wei, age 49, has been a non-executive Director since August 25, 2020 and has been a member of the Strategy Committee of the Company since August 25, 2020. Mr. Mao has been working at CITIC Private Equity Funds Management Co., Ltd. since September 2011 and had held various positions before he became the managing director and had served as a director of Shaanxi Tourism Cultural Industry Holding Co., Ltd. (陜西旅遊文化產業股份有限公司) from December 2015 to December 2019.

Mr. Mao received a Master of Business Administration from Tsinghua University.

Mr. Mao has entered into a service contract with the Company for a term of three years commencing on August 25, 2020, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association. Under the service contract, Mr. Mao is entitled to a director's remuneration, which was determined by the Company with reference to the operating results of the Group and the director's performance. Mr. Mao will not receive any director's fee for his directorship in the Company, but the expenses incurred in connection with his discharge of duties as a Director will be borne by the Company. During his tenure in acting as a non-executive Director and a member of the Strategy Committee, Mr. Mao has devoted significant time and efforts in attending to various business affairs of the Company that were brought to the attention, or which required the supervision, of the Board and/or the Strategy Committee, and with respect to which he has rendered valuable contribution.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Wong Tin Yau Kelvin (黃天祐), Justice of the Peace, age 60, has been an independent non-executive Director since October 11, 2019 and the Chairman of the Audit Committee and a member of the Strategy Committee and Nomination Committee of the Company since the Listing Date.

Dr. Wong is an executive director and deputy managing director of COSCO SHIPPING Ports Limited (中遠海運港口有限公司), a company listed on the Stock Exchange (Stock Code: 01199), since July 1996. He has served as an independent non-executive director of Yangtze Optical Fibre and Cable Joint Stock Limited Company (長飛光纖光纜股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 601869) and the Stock Exchange (Stock Code: 6869) since January 2020; as an independent non-executive director of Xinjiang Goldwind Science & Technology Co., Ltd. (新疆金風科技股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 02202) and the Stock Exchange (Stock Code: 02208), since October 2016; as an independent non-executive director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd (上海復星醫藥(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600196) and the Stock Exchange (Stock Code: 02196), since June 2015; as an independent non-executive director of China ZhengTong Auto Services Holdings Limited (中國正通汽車服務控股有限公司), a company listed on the Stock Exchange (Stock Code: 01728), since November 2010; and as an independent non-executive director of I.T Limited, a company listed on the Stock Exchange (Stock Code: 00999), since August 2007. Dr. Wong also served as an independent non-executive director of Bank of Qingdao Co., Ltd. (青島銀行股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002948) and the Stock Exchange (Stock Code: 03866), from

April 2015 to February 2020, as an independent non-executive director of Huarong International Financial Holdings Limited (華融國際金融控股有限公司), a company listed on the Stock Exchange (Stock Code: 00993), from October 2015 to December 2019, as an independent non-executive director of Mingfa Group (International) Company Limited (明發集團(國際)有限公司), a company listed on the Stock Exchange (Stock Code: 00846), from September 2018 to March 2019, and as an independent non-executive director of Asia Investment Finance Group Limited (亞投金融集團有限公司) currently known as Amber Hill Financial Holdings Limited (安山金控股份有限公司), a company listed on the Stock Exchange (Stock Code: 00033), from October 2016 to February 2018.

Dr. Wong obtained a Master of Business Administration degree from Andrews University in the United States in August 1992 and a Doctorate of Business Administration degree from The Hong Kong Polytechnic University in December 2007.

Dr. Wong has entered into a service contract with the Company for a term of three years commencing on October 11, 2019, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association. Under the service contract, Dr. Wong is entitled to a director's remuneration of HK$400,000 per year, which was determined by the Company with reference to the operating results of the Group and the director's performance. During his tenure in acting as an independent non-executive Director, the Chairman of the Audit Committee, a member of the Strategy Committee and Nomination Committee, Mr. Wong has devoted significant time and efforts in attending to various business affairs of the Company that were brought to the attention, or which required the supervision, of the Board and/or the above-mentioned Committees, and with respect to which he has rendered valuable contribution.

Mr. Timothy Roberts Warner, age 70, has been an independent non-executive Director since October 11, 2019, and the Chairman of the Remuneration Committee and a member of the Strategy Committee and Audit Committee of the Company since the Listing Date. Mr. Warner has extensive experience in corporate finance and management operations. He has also served as the Chairman of the board of the Tuition Plan Consortium, a national prepaid tuition plan for private colleges and universities in the United States, and has served as the Co-President of Board of Trustees of the Western Reserve Academy since 2010. He has been a Vice Provost for budget and auxiliaries management at Stanford University since 1994, primarily responsible for strategic and financial planning and the line management of several large important service organizations within Stanford University.

Mr. Warner received a Bachelor of Arts with honors in history from Wesleyan University in the United States in May 1973, and a Master of Business Administration from the Graduate School of Business of Stanford University in the United States in June 1977.

Mr. Warner has entered into a service contract with the Company for a term of three years commencing on October 11, 2019, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association. Under the service contract, Mr. Warner is entitled to a director's remuneration of HK$300,000 per year, which was determined by the Company with reference to the operating results of the Group and the director's performance. During his tenure in acting as an independent non-executive Director, the Chairman of the Remuneration Committee, a member of the Strategy Committee and Audit Committee, Mr. Warner has devoted significant time and efforts in attending to various business affairs of the Company that were brought to the attention, or which required the supervision, of the Board and/or the above-mentioned Committees, and with respect to which he has rendered valuable contribution.

Mr. Yang Xianxiang (楊現祥), age 54, has been an independent non-executive Director since October 11, 2019, and a member of the Strategy Committee, Audit Committee, Nomination Committee and Remuneration Committee of the Company since the Listing Date. Mr. Yang has been the chief executive officer of SITC International Holdings Co., Ltd, a company listed on the Stock Exchange (Stock Code: 1308), since January 2008. He has over 30 years of experience in the shipping industry through his employment in the shipping companies. From July 1987 to July 1997, Mr. Yang served for Lufeng Shipping Co., Ltd. Mr. Yang has served successively as general manager, executive vice president and president of SITC since 1997.

Mr. Yang received an Executive Master of Business Administration from China Europe International Business School (中歐國際工商學院) in China in April 2006.

Mr. Yang has entered into a service contract with the Company for a term of three years commencing on October 11, 2019, and is subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Articles of Association. Under the service contract, Mr. Yang is entitled to a director's remuneration of HK$300,000 per year, which was determined by the Company with reference to the operating results of the Group and the director's performance. During his tenure in acting as an independent non-executive Director, a member of the Strategy Committee, Audit Committee Nomination Committee and Remuneration Committee, Mr. Yang has devoted significant time and efforts in attending to various business affairs of the Company that were brought to the attention, or which required the supervision, of the Board and/or the above-mentioned Committees, and with respect to which he has rendered valuable contribution.

Save as disclosed above, as at the Latest Practicable Date, each of the retiring Directors (i) held no other directorships in any listed public companies in the last three years; (ii) did not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders; and (iii) did not have any other interests in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, as at the Latest Practicable Date, there was no other information relating to each of the retiring Directors that was required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules and no other matter in relation to their proposed re-election and appointment that needs to be brought to the attention of the Shareholders.

The following is an explanatory statement required by Rule 10.06(1)(b) of the Listing Rules to provide the Shareholders with information reasonably necessary to enable such Shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the granting of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares was 3,494,612,277.

Subject to the passing of the ordinary resolution in respect of the granting of the Share Repurchase Mandate and on the basis that the total number of issued Shares will remain unchanged on the date of the Annual General Meeting, being 3,494,612,277 Shares, the Directors would be authorized under the Share Repurchase Mandate to repurchase, during the period in which the Share Repurchase Mandate remains in force, up to 349,461,227 Shares, representing approximately 10% of the total number of issued Shares as at the date of the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors believe that it is in the best interests of the Company and Shareholders for the Directors to have a general authority from the Shareholders to enable the Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where the Directors believe that such repurchases will benefit the Company and Shareholders.

3. FUNDING OF SHARE REPURCHASE

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws of the Cayman Islands. The Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, the Directors may make repurchases with profits of the Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Cayman Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Articles of Association and subject to the Cayman Companies Law, out of capital.

4. IMPACT OF SHARE REPURCHASE

The Directors do not propose to exercise the Share Repurchase Mandate to such an extent as would, under the circumstances, have a material adverse effect in the opinion of the Directors on the working capital requirements of the Company or its gearing levels. However, there might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended December 31, 2020 in the event that the Share Repurchase Mandate is exercised in full.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which Shares have traded on the Stock Exchange during each of the previous 12 months up to and including the Latest Practicable Date were as follows:

Month	Highest *HK$*	Lowest *HK$*
2020		
April	9.50	6.25
May	9.69	6.31
June	8.80	6.63
July	8.93	7.19
August	13.10	7.81
September	18.00	12.22
October	17.94	13.64
November	17.06	13.00
December	17.12	14.12
2021		
January	20.70	13.22
February	23.50	16.64
March	24.85	18.00
April *(up to the Latest Practicable Date)*	26.50	21.75

6. GENERAL

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) has any present intention to sell any Shares to the Company or its subsidiaries.

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Share Repurchase Mandate is exercise.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

7. TAKEOVERS CODE

If as a result of a securities repurchase pursuant to the Share Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of the increase of the Shareholders' interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result.

As at the Latest Practicable Date, the Controlling Shareholders Group, consisting of Mr. Wang Xuning, Mr. Zhu Hongtao, Mr. Zhu Zechun, Ms. Yang Ningning, Ms. Huang Shuling, Ms. Han Run and Mr. Jiang Guangyong, is a group of individuals holding their interests in the Company through a common investment holding entity, namely, JS Holding, and held 1,603,578,331 Shares, representing approximately 45.89% of the total Shares.

If the Share Repurchase Mandate is fully exercised, the total number of Shares which will be repurchased pursuant to the Share Repurchase Mandate shall be 349,461,227 Shares (being 10% of the issued share capital of the Company as at the Latest Practicable Date). The percentage shareholding of the Controlling Shareholders Group will increase from approximately 45.89% to approximately 50.99% of the issued share capital of the Company immediately following the full exercise of the Share Repurchase Mandate, which may trigger an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

However, the Directors have no present intention to exercise the Share Repurchase Mandate to such an extent that, under the circumstances, would remain insufficient public float as prescribed under the Listing Rules or which would trigger a mandatory general offer obligation under the Takeovers Code.

8. REPURCHASE OF SHARES MADE BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

1. 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.

2. DISCLOSURE OF INTERESTS

(A) Interests and Short Positions of Directors and Chief Executive in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

As of the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange under the Model Code, were as follows:

(i) Interest in Shares of the Company

Name of Director or chief executive	Nature of interest	Long position/ short position	Number of Shares	Approximate percentage of shareholding in the Company[1]
Mr. Wang Xuning[(2)(3)(4)]	Interest in controlled corporations, interest held jointly with other persons	Long position	1,971,882,576	56.43%
	Beneficial interest	Long position	45,317,890	1.30%
Ms. Han Run[(2)(5)]	Interest in controlled corporations, interest held jointly with other persons	Long position	1,603,578,331	45.89%
	Beneficial interest	Long position	11,329,472	0.32%
Ms. Huang Shuling[(2)]	Interest in controlled corporations, interest held jointly with other persons	Long position	1,603,578,331	45.89%

Notes:

(1) The percentage of shareholding in the Company was calculated based on the total number of issued Shares, which was 3,494,612,277 as of the Latest Practicable Date.

(2) Hezhou Company Limited ("**Hezhou**") was the general partner exercising operational control over JS Holding Limited Partnership ("**JS Holding**"). Tong Zhou Company Limited ("**Tong Zhou**") was its limited partner with close to 100% of the limited partnership interest. Hezhou was wholly-owned by Xuning Company Limited

("**XNL**"), which was wholly-owned by Mr. Wang Xuning. Tong Zhou was wholly-owned by the investment entities of the Controlling Shareholders Group (which comprises Directors Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, and other individuals). Therefore, each of Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling was deemed to be interested in the 1,603,578,331 Shares held by JS Holding for the purpose of Part XV of the SFO.

(3) Sol Target Limited ("**STL**"), which was wholly-owned by XNL, held 100 management shares in Sol Omnibus SPC ("**Sol SPC**"). Therefore, Mr. Wang Xuning was deemed to be interested in the 368,304,245 Shares held by Sol SPC for the purpose of Part XV of the SFO.

(4) Mr. Wang Xuning held 11,329,472 Shares and was interested in 33,988,418 restricted stock units granted to him under the RSU Plan entitling him to receive up to 33,988,418 Shares, subject to vesting.

(5) Ms. Han Run held 2,832,368 Shares and was interested in 8,497,104 restricted stock units granted to her under the RSU Plan entitling her to receive up to 8,497,104 Shares, subject to vesting.

(ii) Interest in associated corporations

Name of Director or chief executive	**Nature of interest**	**Long position/ short position**	**Associated corporations**	**Approximate percentage of shareholding in the associated corporation**
Mr. Wang Xuning[(1)(2)]	Beneficial interest	Long position	Shanghai Lihong	8.414%
	Interest in controlled corporations	Long position	Shanghai Lihong	0.003%
Ms. Han Run[(1)]	Beneficial interest	Long position	Shanghai Lihong	0.162%
Ms. Huang Shuling[(1)]	Beneficial interest	Long position	Shanghai Lihong	0.794%

Notes:

(1) Shanghai Lihong was directly held as to 8.414%, 0.162% and 0.794% by Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, respectively.

(2) Shanghai Lihong was directly held as to 0.003% by Shanghai Hezhou Investment Co., Ltd ("**Shanghai Hezhou**"), which was in turn held as to 61.85% by Mr. Wang Xuning. Therefore, Mr. Wang Xuning was deemed to be interested in the equity interests in Shanghai Lihong held by Shanghai Hezhou for the purpose of Part XV of the SFO.

Save as disclosed above, so far as the Directors are aware, as of the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short positions in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) entered in the register kept by the Company pursuant to section 352 of the SFO, or (iii) notified to the Company and the Stock Exchange under the Model Code.

(B) Substantial Shareholders' and Other Persons' Interests and Short Positions in the Shares, Underlying Shares and Debentures

As of the Latest Practicable Date, the following persons (other than the Directors and chief executive of the Company) had an interest or short position in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company, pursuant to Section 336 of the SFO:

Name of shareholder	Nature of interest	Long position/ short position	Number of shares held	Appoximate percentage of shareholding in the Company[1]
JS Holding[2]	Beneficial interest	Long position	1,603,578,331	45.89%
Hezhou[2]	Interest in controlled corporation	Long position	1,603,578,331	45.89%
Tong Zhou[2]	Interest in controlled corporation	Long position	1,603,578,331	45.89%
Jin Cheng Company Limited ("**Jin Cheng**")[3]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Mr. Zhu Hongtao[3]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Fortune Spring Company Limited ("**Fortune Spring**")[3]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Mr. Zhu Zechun[3]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Tuo Ge Company Limited ("**Tuo Ge**")[3]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Ms. Yang Ningning[3][4]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
	Beneficial interest	Long position	11,329,472	0.32%
Yuan Jiu Company Limited ("**Yuan Jiu**")[3]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Xi Yu Company Limited ("**Xi Yu**")[3]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Jin Yu Company Limited ("**Jin Yu**")[3]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Mr. Jiang Guangyong[3]	Interest held jointly with other persons	Long position	1,603,578,331	45.89%
Sol Omnibus SPC[5]	Beneficial interest	Long position	368,304,245	10.54%
Sol Target Limited[5]	Interest in controlled corporation	Long position	368,304,245	10.54%
XNL[2][3][5]	Interest in controlled corporations, interest held jointly with other persons	Long position	1,971,882,576	56.43%
Easy Home Limited ("**Easy Home**")[6]	Beneficial interest	Long position	263,236,139	7.53%
CDH Fund V, L.P.[6]	Interest in controlled corporation	Long position	328,792,305	9.41%
CDH V Holdings Company Limited[6]	Interest in controlled corporation	Long position	328,792,305	9.41%
China Diamond Holdings V Limited[6]	Interest in controlled corporation	Long position	328,792,305	9.41%
China Diamond Holdings Company Limited[6]	Interest in controlled corporation	Long position	328,792,305	9.41%
MR Investor[7]	Beneficial interest	Long position	209,014,116	5.98%

Name of shareholder	Nature of interest	Long position/ short position	Number of shares held	Appoximate percentage of shareholding in the Company[1]
Mr. Mark Rosenzweig[7]	Interest in controlled corporations, family interest	Long position	274,570,282	7.86%
CM Kinder Education II Limited[8]	Beneficial interest	Long position	224,940,000	6.44%
CPE China Fund III, L.P.[8]	Interest in controlled corporation	Long position	224,940,000	6.44%
CPE Funds III Limited[8]	Interest in controlled corporation	Long position	224,940,000	6.44%
CPE Holdings Limited[8]	Interest in controlled corporation	Long position	224,940,000	6.44%
CPE Holdings International Limited[8]	Interest in controlled corporation	Long position	224,940,000	6.44%

Notes:

(1) The percentage of shareholding in the Company was calculated based on the total number of issued Shares, which was 3,494,612,277 as of the Latest Practicable Date.

(2) JS Holding directly held 1,603,578,331 Shares. Hezhou is the general partner exercising operational control over JS Holding. Tong Zhou is the limited partner of JS Holding with close to 100% of its limited partnership interest. In addition, Hezhou is a wholly-owned subsidiary of XNL. Therefore, each of Hezhou, Tong Zhou and XNL was deemed to be interested in the 1,603,578,331 Shares held by JS Holding for the purpose of Part XV of the SFO.

(3) XNL was wholly-owned by Mr. Wang Xuning, Jin Cheng was wholly-owned by Mr. Zhu Hongtao, Fortune Spring was wholly-owned by Mr. Zhu Zechun, Tuo Ge was wholly-owned by Ms. Yang Ningning, Yuan Jiu was wholly-owned by Ms. Huang Shuling, Xi Yu was wholly-owned by Ms. Han Run, and Jin Yu was wholly-owned by Mr. Jiang Guangyong. Mr. Wang Xuning, Mr. Zhu Hongtao, Mr. Zhu Zechun, Ms. Yang Ningning, Ms. Huang Shuling, Ms. Han Run and Mr. Jiang Guangyong, respectively through XNL, Jin Cheng, Fortune Spring, Tuo Ge, Yuan Jiu, Xi Yu and Jin Yu commonly hold their interest in the Company through JS Holding and formed the Controlling Shareholders Group. As such, each of Mr. Wang Xuning, Mr. Zhu Hongtao, Mr. Zhu Zechun, Ms. Yang Ningning, Ms. Huang Shuling, Ms. Han Run and Mr. Jiang Guangyong is deemed to be interested in the Shares held by other members of the Controlling Shareholders Group, and each of the Controlling Shareholders Group is deemed to be interested in the 1,603,578,331 Shares held by JS Holding for the purpose of Part XV of the SFO.

(4) Ms. Yang Ningning held 2,832,368 Shares and was interested in 8,497,104 restricted stock units granted to her under the RSU Plan entitling her to receive up to 8,497,104 Shares, subject to vesting.

(5) Sol Target Limited ("STL"), which is wholly-owned by XNL, had 100% control in Sol Omnibus SPC ("Sol SPC"). Therefore, each of STL and XNL was deemed to be interested in the 368,304,245 Shares held by Sol SPC for the purpose of Part XV of the SFO. XNL was deemed to be interested in 1,971,882,576 Shares in aggregate held by JS Holding and Sol SPC. See note 2 above.

(6) Easy Home and Comfort Home Limited ("Comfort Home") directly held 263,236,139 Shares and 65,556,166 Shares, respectively. Each of Easy Home and Comfort Home was a wholly-owned subsidiary of CDH Fund V, L.P. whose general partner was CDH V Holdings Company Limited. CDH V Holdings Company Limited is held as to 80% by China Diamond Holdings V Limited, which is in turn wholly-owned by China Diamond Holdings Company Limited. Therefore, each of CDH Fund V, L.P., CDH V Holdings Limited, China Diamond Holdings V Limited and China Diamond Holdings Company Limited were deemed to be interested in 328,792,305 Shares in aggregate held by Easy Home and Comfort Home for the purpose of Part XV of the SFO.

(7) MR Investor directly held 209,014,116 Shares. MR Investor was wholly-owned by Mr. Mark Rosenzweig. Therefore, Mr. Mark Rosenzweig was deemed to be interested in the 209,014,116 Shares held by MR Investor for the purpose of Part XV of the SFO. As of the Latest Practicable Date, MR Trust Investor directly held 65,556,166 Shares, which were held for the benefit of the family interest of Mr. Mark Rosenzweig. Therefore, Mr. Mark Rosenzweig was deemed to be interested in 274,570,282 Shares in aggregate held by MR Investor and MR Trust Investor for the purpose of Part XV of the SFO.

(8) CM Kinder Education II Limited is held as to 85.71% by CPE China Fund III, L.P., which in turn is controlled by CPE Funds III Limited. CPE Funds III Limited is wholly-owned by CPE Holdings Limited, which in turn is wholly-owned by CPE Holdings International Limited. Therefore, each of CPE China Fund III, L.P., CPE Funds III Limited, CPE Holdings Limited and CPE Holdings International Limited were deemed to be interested in 224,940,000 Shares held by CM Kinder Education II for the purpose of Part XV of the SFO.

Save as disclosed herein, as of the Latest Practicable Date, the Company had not been notified by any person (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or the underlying Shares which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

4. COMPETING INTERESTS

To the best knowledge of the Directors, save as disclosed below, none of the Directors had any interest in any business which directly or indirectly competes or is likely to compete with the business of the Group:

(i) Hangzhou Lexiu: As of the Latest Practicable Date, Hangzhou Lexiu Electrical Technology Company Limited (杭州樂秀電子科技有限公司) ("**Hangzhou Lexiu**") was held as to 9.14% by Ningbo Meishan Free Trade Port Area Xuning Innovation Investment Partnership (Limited Partnership) (寧波梅山保稅港區旭寧創新投資合夥企業(有限合夥)), whose general partner is Ningbo Meishan Free Trade Port Area Xuning Investment Limited (寧波梅山保稅港區旭寧投資有限公司), which was 99% held by Mr. Wang Xuning, an executive Director. Hangzhou Lexiu is primarily engaged in the industry of personal care appliances;

(ii) Jiuyang Bean: As of the Latest Practicable Date, Hangzhou Jiuyang Bean Industry Limited (杭州九陽豆業有限公司) ("**Jiuyang Bean**"), was owned as to 42.5%, 25.5% and 32% by Ningbo Meishan Free Trade Port Area Lihao Investment Limited, Joyoung and other independent third parties, respectively. Ningbo Meishan Free Trade Port Area Lihao Investment Limited was controlled by the Controlling Shareholders Group. Jiuyang Bean generally provides soymilk powder and commercial soymilk makers; and

(iii) Hangzhou Yibei: As of the Latest Practicable Date, Hangzhou Yibei Food Technology Company Limited (杭州易杯食品科技有限公司) ("**Hangzhou Yibei**") was directly held as to approximately 54.08% by Mr. Wang Xuning and his close associate. Hangzhou Yibei primarily provides capsule machines, drinks capsules and other capsule machine accessories.

On the basis that (i) the Group has different product categories with Hangzhou Lexiu, as the Group is primarily engaged in the kitchen and cleaning appliance market, while Hangzhou Lexiu is primarily engaged in the personal care appliance market; (ii) the Group's products have different usage scenarios from the products of Jiuyang Bean, as the Group's products are generally for home use and targeted at individual customers while Jiuyang Bean generally provides soymilk powder and commercial soymilk makers to factories, schools, stores and restaurants; and (iii) the Group's household appliance products, especially soymilk makers and blenders have different usage scenarios as Hangzhou Yibei's capsule machines, as our soymilk makers and blenders are primarily used in household kitchens to make soymilk, juice and other drinks, while Hangzhou Yibei's capsule machines mainly target at hotels, restaurants and offices to produce drinks such as coffee and milk tea, the Directors are of the view that these businesses would not give rise to any material competition issue under Rule 8.10 of the Listing Rules.

5. INTERESTS IN CONTRACT OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors was materially interested in contract or arrangement subsisting which is significant in relation to the business of the Group, nor has any Director had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.

6. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Group was engaged in any litigation, arbitration or claim of material importance and there was no litigation, arbitration or claim of material importance known to the Directors to be pending or threatening against any member of the Group.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, the date to which the latest published audited consolidated financial statements of the Group were made up.

8. EXPERT AND CONSENT

The following is the qualification of the experts who have given opinion or advice which is contained in this circular:

Name	**Qualification**
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
Shanghai Zhonghua Assets Appraisal Co., Ltd.	independent valuer

Each of the above experts has given and confirmed that it has not withdrawn its written consent to the issue of this circular with the inclusion herein of its statements and/or references to its name in the form and context in which it appears. Each of the above experts has further confirmed that as at the Latest Practicable Date, it was not interested in the share capital of any member of the Group, nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group. It was not interested in any assets which have been, since 31 December 2020 (being the date to which the Company's latest audited financial statements were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

9. CORPORATE INFORMATION OF THE COMPANY

Registered office	Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands
Principal place of business in Hong Kong	21/F, 238 Des Voeux Road Central, Sheung Wan, Hong Kong
Hong Kong Branch Share Registrar	Tricor Investor Services Limited Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Company secretary	Shan Minqi

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any business day at the principal place of business of the Company in Hong Kong at 21/F, 238 Des Voeux Road Central, Sheung Wan, Hong Kong for a period of 14 days (excluding Saturdays and Sundays) from the date of this circular:

(a) the Share Purchase Agreements;

(b) the letter from the Independent Board Committee, the text of which is set out on page 16 of this circular;

(c) the letter from Independent Financial Adviser, the text of which is set out on pages 17 to 39 of this circular;

(d) the Valuation Report;

(e) the written consent referred to in the paragraph 8 of this Appendix; and

(f) this circular.

Summary of Valuation Report

Upon the engagement by JS Global Trading HK Limited, Shanghai Zhonghua Assets Appraisal Co., Ltd. has evaluated the investment value of minority interest of Shanghai Lihong Enterprise Management Company Limited (the "**Valuation Entity**") (16.2466% equity interest collectively held by 26 shareholders including Wang Xuning) as at the valuation reference date, 31 January 2021, in respect of the matter that JS Global Trading HK Limited proposed to acquire 16.2466% equity interest of Valuation Entity collectively held by all shareholders within the PRC (26 shareholders including Wang Xuning), based on the principles of independence, objectivity and impartiality, adopting the asset-based approach and following necessary appraisal procedures, laws, administrative regulations of the PRC, and appraisal standards.

This Valuation Report is prepared in accordance with the Basic Appraisal Standards issued by the Ministry of Finance (the "**Basic Appraisal Standards**") and the standards for the practice of appraisal and code of professional ethics issued by the China Appraisal Society. The valuation report is hereby summarised as follows:

I. **Purpose of the Valuation:** As JS Global Trading HK Limited proposed to acquire 16.2466% equity interest of Valuation Entity collectively held by all shareholders within the PRC (26 shareholders including Wang Xuning), Shanghai Zhonghua Assets Appraisal Co., Ltd. is engaged to evaluate the investment value of minority interest of Valuation Entity (16.2466% equity interest collectively held by 26 shareholders including Wang Xuning) as at the valuation reference date, 31 January 2021.

II. **Valuation Target and Valuation Scope:** The valuation target is the minority interest of Valuation Entity (16.2466% equity interest collectively held by 26 shareholders including Wang Xuning) (the "**Valuation Target**"). The valuation scope is all the assets and relevant liabilities of Valuation Entity as at the valuation reference date.

III. **Type of the Value:** Investment value.

IV. **Valuation Reference Date:** 31 January 2021.

V. **Valuation Approach:** The valuation adopts the asset-based approach.

VI. **Valuation Conclusion:** After the valuation, the appraised value of 16.2466% equity interest of Valuation Entity collectively held by 26 shareholders including Wang Xuning as at the valuation reference date, 31 January 2021, is approximately RMB1,275.64 million.

VII. **Validity for the Use of Valuation Conclusion:** The term for the use of valuation conclusion of the Valuation Report is one year, from the valuation reference date, 31 January 2021, to 30 January 2022.

VIII. **Users of the Report:** The Client: JS Global Trading HK Limited; the party involved: Valuation Entity; other users of the report: entities related to the fulfillment of the information disclosure requirement, such as The Stock Exchange of Hong Kong Limited and JS Global Lifestyle Company Limited.

IX. Notes on Special Matters

We would like to emphasize that: the valuation opinion only serves as a value reference for the parties to conduct the equity transaction, but not a substitute for the decision of each party in respect of the equity transaction price. The Valuation Report and its valuation conclusion can only be used for the intention and purpose specified therein, and any use for other purpose shall be deemed as invalid.

The Chinese version of the Valuation Report shall prevail should there be any inconsistency between the Chinese version and the English version.

The above content is extracted from the text of the Valuation Report. For more details of the valuation and a proper comprehension of the valuation conclusion, please read the text of the Valuation Report carefully. We would like to remind users of the Valuation Report to pay attention to the valuation assumptions, limitations, notes on special maters and their impact on the valuation conclusion.

Supplemental Notes:

- **Applicability Analysis and Selection of Valuation Approach**

According to the Basic Appraisal Standards, there are three basic appraisal approaches to determine the appraised value, namely the market approach, the income approach and the asset-based approach, and their derivative approaches.

The valuation adopts the asset-based approach as the valuation approach, with the reasons listed below:

The condition for adopting the market approach is that there is an active open market, in which information of the same or similar comparable companies can be collected and the available operating and financial data of comparable companies are sufficient and reliable. After the investigation and analysis, we conclude that there are no available comparable companies in the open market that are the same as or similar to the Valuation Entity with sufficient and reliable operating and financial data. Therefore, the market approach is not applicable to the valuation.

Considering that the Valuation Entity is primarily engaged in enterprise management and has Joyoung Co., Ltd. (002422.SZ) ("**Joyoung**") and Xinjiang Share Capital Partnership (LP) (新疆分享創贏創業投資合夥企業(有限合夥)) under its investment management, we are of the view that the future profitability of these two companies is highly uncertain due to the difficulty to predict and quantify the future income and measure the risks to achieve the expected income. Therefore, the income approach is not applicable to the valuation.

The Valuation Entity has complete financial data and asset management information that are available for use, and data and information about the re-acquisition costs of assets can be sourced from a variety of channels. There is an inherent relationship and substitution relation between the asset replacement cost and the current market price and present value of income of the asset. Therefore, the asset-based approach is applicable to the valuation.

- **Main Procedures of Valuation**

In light of the purpose of the valuation, due to the lack of liquidity of the target company in the open market, the proposed acquisition of its shareholders' equity requires further consideration of discount factors by way of discount to arrive at the valuation of the part of shareholders' equity.

Appraised value of the part of shareholders' equity = Value of total equity × (1 – liquidity discount) × share proportion

Value of total equity = Aggregate of all assets' appraised value – Aggregate of all liabilities' appraised value

1. **Cash and bank balances:** Cash and bank balances are verified by the bank statement, the bank reconciliation and other documents, and the verified book value is adopted in the determination of appraised value.

2. **Financial assets held for trading:** Equities. Upon the verification of the value composition and the number of shares subscribed for, the appraised value of equities is determined by multiplying the closing price as at the valuation reference date with the number of shares subscribed for.

3. **Other receivables:** After verification and checking to accounting records and original documents as well as arranging confirmations in respect of material amounts, other receivables would be adjusted by the valuers for probability of bad debts (if any) by taking into account, among other things, (a) reasons for the outstanding amount; (b) status of recovery; (c) receivable aging; and (d) credibility, financial conditions and operation conditions of debtors.

4. **The long-term equity investment**

The long-term investment of the Valuation Entity is the 15.58% equity interest of Xinjiang Share Capital Partnership (LP) held in the capacity of LP. The valuation verifies and analyses the reasons and the actual conditions of the long-term investment through reviewing the relevant investment agreement, the resolution of the shareholders' meeting, the articles of association, the relevant accounting records. With the truthfulness and completeness ensured, the valuation determines the appraised value by multiplying the book value of net asset recorded in the financial statements of the invested entity for the latest period before the valuation reference date with the share proportion.

5. **Other equity investment**

The valuation verifies the reasons, the book value, the actual conditions and other information of investments in other equity investment to ensure the truthfulness and completeness. As Joyoung is a listed company, the valuation of other equity investment determines by multiplying the market price of Joyoung with the number of shares held by the Valuation Entity at the valuation reference date;

Unit price of Joyoung at the valuation reference date = Closing price at the valuation reference date (RMB28.19 per share)

Appraised value of Joyoung = Unit price at the valuation reference date × Number of shares held at the valuation reference date

6. Investment properties

Properties included in the valuation are commercial properties purchased by the Valuation Entity. The valuation adopts the market approach to assess the properties and land collectively. Under such approach, the appraised value is determined based on the price of the transactions in the similar or same area and type on the valuation reference date with corresponding correction and restoration.

7. Equipment — vehicles

The appraised value is mainly determined by deducting the physical and functional depreciation from the vehicle replacement cost.

8. Liabilities

We verify the existence of creditors and amount of liabilities by way of, among other things, checking to underlying books and records, sample check to relevant agreements and contracts, and creditors' confirmations in respect of material amounts so as to determine the actual liabilities for appraisal purpose.

Among these liabilities, we determine the appraised value of deferred tax liabilities upon the difference between the investment cost of Joyoung held by the Valuation Entity and the fair value of such investment as at the valuation reference date, with reference to the applicable tax rate.

9. Liquidity discount

The study, Stout Restricted Stock Study Companion Guide (2020 Edition), which contains 759 restricted stock transactions with different trading and company characteristics, provides users with the most widely used and accepted database for determining the discount regarding the lack of market liquidity. In the study, Stout conducted a research on 759 private-equity deals of unregistered ordinary shares (irrespective of registration rights) issued by listed companies from July 1980 to December 2019. The overall average DLOM for all 759 transactions (as at June 2020) in the study applied was 20.6% and the median discount was 15.8%.

We are convinced by the study, and hold the view that the adoption of median discount is more appropriate than the average discount provided by the Stout study, as the median discount excludes the extremes and is more representative. Therefore, 15.8% is chosen to be the liquidity discount.

• Valuation conclusion and analysis on major items of assets and liabilities

➢ **Cash and bank balances:**

As at 31 January 2021, the book value of cash and bank balances is RMB1,072.27 million. The appraised value is RMB1,072.27 million. The appraised value of cash and bank balances is equivalent to the book value.

➢ **Other receivables:**

As at 31 January 2021, the book value of other receivables is RMB96.30 million. The appraised value is RMB96.30 million. The appraised value of other receivables is equivalent to the book value.

Among the other receivables, approximately RMB50 million was a loan receivable from Zheng Hong. Given that JS Holding has undertaken to Shanghai Lihong that if Zheng Hong is unable to repay to its loan due, JS Holding will provide funds or use other methods accepted by Shanghai Lihong to procure Zheng Hong to satisfy its repayment obligations, it is concluded that no write down of such other receivables is needed.

➢ **Long-term equity investment:**

As at 31 January 2021, The long-term investment represented the holding of approximately 15.58% equity interest in a fund (the "**Investee**"),and the book value of long-term equity investment is RMB124.72 million.

The appraised value of the long-term equity investment is RMB102.80 million, being equivalent to 15.58% of net asset value of the Investee based on the accounts of the Investee as at 31 December 2020. The decrease of approximately RMB21.92 million, primarily due to the decrease in the net asset value of the Investee as at 31 December 2020, compared with the initial investment.

➢ **Other equity investment:**

As at 31 January 2021,the book value of other equity investment is RMB8,703.11 million. The appraised value is RMB10,839.72 million, representing an increase of approximately RMB2,136.62 million, primarily due to the increase in the market value based on the closing price of Joyoung Shares of RMB28.19 as at the valuation date, being 31 January 2021 (the "**Joyoung Benchmark Price**").

➢ **Deferred tax liabilities:**

As at 31 January 2021, the book value of deferred tax liabilities is RMB2,103.17 million. The appraised value is RMB2,637.33 million, being calculated based on the difference between the investment cost and the fair value of the Joyoung Shares held by Shanghai Lihong as at 31 January 2021 based on the Joyoung Benchmark Price and the applicable tax rate.

The increase of approximately RMB534.15 million, primarily due to the increase in the deferred tax caused by the increase of the other equity investment as at the valuation date.

➢ **Tax payables and other payables:**

As at 31 January 2021, the book value of tax payables is RMB2.54 million, and the book value of other payables is RMB185.31 million. The appraised value of tax payables and other payables items are equivalent to their book value.

The Valuation Report is based on the audited single financial statements of Shanghai Lihong.

Profile of Shanghai Zhonghua Assets Appraisal Co., Ltd.

Shanghai Zhonghua Assets Appraisal Co., Ltd. was established in 1992, which is a jointly certified institute by the Ministry of Finance of the PRC and China Securities Regulatory Commission for appraisal relating to securities and future businesses. The signers of the Valuation Report, namely Mr. Yang Ge and Mr. Huang Hao, are asset appraisers with appropriate professional qualifications and have approximately 10 years' and 5 years' experience in assets appraisal industry, respectively. Since its establishment, Shanghai Zhonghua Assets Appraisal Co., Ltd. has provided professional valuation services to the large-scale enterprises covering the industry of real estate, resources, information technology, etc.

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 OF THE ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the "**Annual 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, Yinhai Street, Qiantang District, Hangzhou, Zhejiang Province, China on May 28, 2021 at 9:30 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditor for the year ended December 31, 2020.

2. (a) To re-elect Mr. Wang Xuning as an executive director of the Company;

   (b) To re-elect Ms. Han Run as an executive director of the Company;

   (c) To re-elect Ms. Huang Shuling as an executive director of the Company;

   (d) To re-elect Mr. Hui Chi Kin Max as a non-executive director of the Company;

   (e) To re-elect Mr. Stassi Anastas Anastassov as a non-executive director of the Company;

   (f) To re-elect Mr. Mao Wei as a non-executive director of the Company;

   (g) To re-elect Dr. Wong Tin Yau Kelvin as an independent non-executive director of the Company;

   (h) To re-elect Mr. Timothy Roberts Warner as an independent non-executive director of the Company; and

   (i) To re-elect Mr. Yang Xianxiang as an independent non-executive director of the Company.

3. To authorize the board of directors of the Company (the "**Board**") to fix the remuneration of all directors of the Company (the "**Directors**").

4. To re-appoint Ernst & Young as the auditor of the Company, to hold office until the conclusion of the next annual general meeting of the Company, and to authorize the Board to fix their remuneration.

5. "**THAT**:

(a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase its shares in accordance with all applicable laws, rules and regulations;

(b) the total number of shares of the Company to be purchased pursuant to the mandate in paragraph (a) above shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of subdivision and consolidation of the shares of the Company) and the said mandate shall be limited accordingly; and

(c) for the purposes of this resolution:

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable laws or the articles of association of the Company; and

(iii) it is varied, revoked or renewed by an ordinary resolution of the shareholders of the Company at general meeting."

6. "**THAT**:

(a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the Directors during the Relevant Period (as defined below) to allot, issue and deal with additional shares of the Company, or securities convertible into shares of the Company, or options, warrants or similar rights to subscribe for any shares of the Company, and to make or grant offers, agreements and options which might require the exercise of such powers;

(b) the mandate in paragraph (a) above shall authorize the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the total number of shares allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

(i) a Rights Issue (as defined below);

(ii) the exercise of options under a share option scheme of the Company;

(iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; and

(iv) the exercise of rights of subscription or conversion under the term of any securities convertible into shares of the Company, or options, warrants or similar rights to subscribe for any shares of the Company;

shall not exceed 20% of the total number of issued shares of the Company on the date of passing of this resolution (subject to adjustment in the case of subdivision and consolidation of the shares of the Company) and the said mandate shall be limited accordingly; and

(d) for the purposes of this resolution:

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required to be held under any applicable laws or the articles of association of the Company; and

(iii) it is varied, revoked or renewed by an ordinary resolution of the shareholders of the Company at general meeting.

"**Rights Issue**" means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange)."

7. "**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this meeting (the "**Notice**"), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the total number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the total number of shares purchased by the Company pursuant to the mandate referred to in resolution set out in item 6 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares of the Company as at the date of passing of this resolution (subject to adjustment in the case of subdivision and consolidation of the shares of the Company)."

8. To declare a final dividend of HK$0.2661 (equivalent to approximately US$0.0343) per Share of the Company for the year ended December 31, 2020.

9. "**THAT**:

(a) the terms and conditions of the share purchase agreements (the "**Share Purchase Agreement(s)**") dated April 6, 2021 entered into between JS Global Trading HK Limited (the "**Purchaser**"), an indirect wholly-owned subsidiary of the Company, and each of the controlling shareholders group (including Mr. Wang Xuning, Mr. Zhu Hongtao, Mr. Zhu Zechun, Ms. Yang Ningning, Ms. Han Run, Ms. Huang Shuling, and Mr. Jiang Guangyong), Shanghai Hezhou Investment Co., Ltd and the other individual shareholders (including Mr. Cui Jianhua, Ms. Tian Deling, 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) (including any share transfer arrangement contemplated therein) be ratified, accepted and approved; and

(b) Ms. Han Run, a Director, be and are hereby authorized to: (i) agree, approve, sign and deliver all further documents requested or required by The Stock Exchange of Hong Kong Limited and/or the Securities and Futures Commission (if applicable); (ii) approve, sign and file with the relevant authorities in Hong Kong or any other appropriate bodies all necessary notices, returns and documents; and (iii) do all other acts and things to effect and complete the Share Purchase Agreements, and to approve all other documents (where required, to affix the common seal of the Company) on behalf of the Company as may be considered necessary or expedient to give effect to the matters approved herein."

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

Hong Kong, April 28, 2021

Notes:

1. Any shareholder of the Company entitled to attend and vote at the Annual 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 Annual General Meeting (i.e. before May 26, 2021 at 9:30 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 Annual 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 Annual 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 Annual 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 Annual 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 Annual 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.

7. The register of members of the Company will be closed from June 3, 2021 to June 4, 2021 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to the proposed final dividend, 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 June 2, 2021.

As of the date of this notice, 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.