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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Lifestyle China Group Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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LIFESTYLE CHINA GROUP LIMITED
利福中國集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2136)

**VERY SUBSTANTIAL ACQUISITION
CONNECTED TRANSACTION AND
CONTINUING CONNECTED TRANSACTION
IN RELATION TO
RENEWAL OF SHANGHAI JIUGUANG TENANCY AGREEMENT,
PROPOSED ADOPTION OF NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting of Lifestyle China Group Limited to be held at the Event Gallery, 16/F SOGO CLUB, New Wing, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong on Monday, 20 March 2023 at 4:30 p.m. is set out on pages 78 to 80 to this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.

22 February 2023

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DEFINITIONS

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

“Articles of Association”	the amended and restated articles of association of the Company, as amended and supplemented from time to time;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of directors of the Company;
“Companies Act”	the Companies Act, Chapter 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands as amended, supplemented or otherwise modified from time to time;
“Company”	Lifestyle China Group Limited (利福中國集團有限公司), a company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange (stock code: 2136);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened and held at the Event Gallery, 16/F SOGO CLUB, New Wing, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong on Monday, 20 March 2023 at 4: 30 p.m.;
“Existing Shanghai Jiuguang Tenancy Agreement”	the tenancy agreement entered into between Shanghai Ongoing as tenant and Shanghai Joinbuy City Plaza as landlord dated 26 November 2004, and supplemented by an agreement dated 15 March 2017, in relation to the Shanghai Premises;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Financial Adviser”	Veda Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance, being the independent financial adviser appointed to explain why the New Shanghai Jiuguang Tenancy Agreement requires a longer period and to confirm that it is a normal business practice for agreements of this type to be of such duration;

DEFINITIONS

“Joinbuy Co.”	上海九百股份有限公司 (Shanghai Joinbuy Co., Ltd.*), a company established in the PRC and listed on the Shanghai Stock Exchange (stock code: 600838), which holds 38% of the equity interest in Shanghai Joinbuy City Plaza and 30% of the equity interest in Shanghai Ongoing;
“Joinbuy Group”	上海九百(集團)有限公司 (Shanghai Joinbuy Group Co., Ltd.*), a company established in the PRC and wholly owned by Shanghai Jingan District State-owned Assets Supervision and Administration Commission, which holds 12% of the equity interest in Shanghai Joinbuy City Plaza and 5% of the equity interest in Shanghai Ongoing;
“Latest Practicable Date”	17 February 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum”	the amended and restated memorandum of association of the Company, as amended and supplemented from time to time;
“New Annual Caps”	the proposed annual caps in respect of the turnover rent and management fee under the New Shanghai Jiuguang Tenancy Agreement to be incurred/payable by Shanghai Ongoing for the three months ending 31 December 2024 and the two years ending 31 December 2025 and 2026;
“New Memorandum and Articles of Association”	the second amended and restated memorandum of association and the second amended and restated articles of association of the Company, incorporating the Proposed Amendments as set out in Appendix IV to this circular proposed to be adopted by the Shareholders at the EGM;
“New Shanghai Jiuguang Tenancy Agreement”	the new tenancy agreement entered into between Shanghai Ongoing as tenant and Shanghai Joinbuy City Plaza as landlord in relation to the Shanghai Premises dated 28 December 2022;
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan);
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

DEFINITIONS

“Shanghai Jiuguang”	the department store operated and owned by Shanghai Ongoing at the Shanghai Premises under the name of “Shanghai Jiuguang Department Store (上海久光百貨)”;
“Shanghai Joinbuy City Plaza”	上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co. Ltd.*), a sino-foreign equity joint venture enterprise established in the PRC with limited liability, of which the Group owns an effective equity stake of 50%;
“Shanghai Ongoing”	Shanghai Ongoing Department Store Limited (上海久光百貨有限公司), a sino-foreign equity joint venture enterprise established in the PRC with limited liability, of which the Group owns an effective equity stake of 65%;
“Shanghai Premises”	the entire building (including open space, external wall and roof top of the building) situated at 1618 Nanjing Xi Road, Shanghai, the PRC known as Shanghai Joinbuy City Plaza Building (上海久百城市廣場大廈) with a gross construction floor area of 91,833.16 square metres;
“Share(s)”	the share(s) of the Company;
“Shareholder(s)”	the holder(s) of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC; and
“%”	per cent.

For the purpose of this circular, conversion of RMB to HK\$ is based on the exchange rate of RMB1.00 = HK\$1.12. Such conversion is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at such or any other rates or at all.

* For identification purpose only

LIFESTYLE CHINA GROUP LIMITED
利福中國集團有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2136)

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Mr. Lau Luen Hung, Thomas
(Chairman and Chief Executive Officer)

Non-executive Director:

Ms. Chan Chor Ling, Amy

Independent Non-executive Directors:

Ms. Cheung Mei Han
Mr. Cheung Yuet Man, Raymond
Mr. Lam Kwong Wai

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20th Floor, East Point Centre
555 Hennessy Road
Causeway Bay
Hong Kong

22 February 2023

To the Shareholders

Dear Sir or Madam,

**VERY SUBSTANTIAL ACQUISITION
CONNECTED TRANSACTION AND
CONTINUING CONNECTED TRANSACTION
IN RELATION TO
RENEWAL OF SHANGHAI JIUGUANG TENANCY AGREEMENT,
PROPOSED ADOPTION OF NEW MEMORANDUM AND
ARTICLES OF ASSOCIATION
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 28 December 2022 in relation to the New Shanghai Jiuguang Tenancy Agreement. The purpose of this circular is to provide you with further information on (i) the New Shanghai Jiuguang Tenancy Agreement and the transactions contemplated thereunder; (ii) the proposed adoption of the New Memorandum and Articles of Association; and (iii) to give the Shareholders the notice of the EGM and other information required by the Listing Rules.

LETTER FROM THE BOARD

2. THE NEW SHANGHAI JIUGUANG TENANCY AGREEMENT

Background

References are made to the announcements of the Company dated 30 December 2021 and 18 December 2018 in relation to the renewal of annual caps in respect of the continuing connected transactions contemplated under the Existing Shanghai Jiuguang Tenancy Agreement. Details of the Existing Shanghai Jiuguang Tenancy Agreement were set out in the listing document of the Company dated 30 June 2016. The initial term of the Existing Shanghai Jiuguang Tenancy Agreement will expire on 30 September 2024.

On 28 December 2022, Shanghai Ongoing entered into the New Shanghai Jiuguang Tenancy Agreement as tenant with Shanghai Joinbuy City Plaza as landlord in relation to the Shanghai Premises for a period of 20 years commencing from 1 October 2024 to 30 September 2044 with a new basic rental of RMB130 million per annum. Apart from these changes, the other terms of the Existing Shanghai Jiuguang Tenancy Agreement remain unchanged in the New Shanghai Jiuguang Tenancy Agreement.

The principal terms of the New Shanghai Jiuguang Tenancy Agreement are summarized as follows:

Date	:	28 December 2022
Parties	:	(1) Shanghai Joinbuy City Plaza as landlord of the Shanghai Premises (2) Shanghai Ongoing as tenant of the Shanghai Premises
Premises	:	the entire building (including open space, external wall and roof top of the building) situated at 1618 Nanjing Xi Road, Shanghai, the PRC known as Shanghai Joinbuy City Plaza Building (上海久百城市廣場大廈), with a gross construction floor area of 91,833.16 square metres
Term	:	From 1 October 2024 to 30 September 2044

LETTER FROM THE BOARD

Rental : The basic rental, being a fixed annual rental of RMB130 million, is payable by Shanghai Ongoing to Shanghai Joinbuy City Plaza. The basic rental of RMB130 million per annum is determined with reference to the market rent and commercial terms of comparable shopping premises located in the surroundings of the Shanghai Premises with similar market positioning in Jing'an district in Shanghai after negotiation with Shanghai Joinbuy City Plaza.

The average rental of two shopping premises located in the surroundings of the Shanghai Premises have been compared and the details are as follows:

	Commercial Construction area (ten thousand square meters)	Number of floor levels	Approximate Occupancy rate	Approximate average rent of leased out area (RMB/day/ square meter)
Department Store A	4.0	5 floors above ground level with 2 floors below ground level	96%	18
Shopping mall B	7.3	7 floors above ground level with 2 floors below ground level	75%	16

The above two comparable shopping premises are being leased out to different tenants (in the form of scattered commercial leases) and the number of floors of the comparable shopping premises are relatively less. As noted in the above table, the approximate average rental of leased out area of the comparable shopping premises are approximately RMB18 and RMB16 per day per square meter respectively.

LETTER FROM THE BOARD

The basic rental of RMB130 million per annum, equivalent to approximately RMB10 per day per square meter, appeared to be low when comparing to the comparable premises, was determined with reference to the rental of the comparable shopping premises and after applying a discount for the fact that the Shanghai Premises is being leased out as a whole building as compared to those of scattered commercial leases in the case of the two comparable shopping premises. Other factors that have been taken into consideration included condition of the property, leasable area, number of floor levels and availability of supplemental facilities. Most importantly, the additional turnover rent feature under the New Shanghai Jiuguang Tenancy Agreement would increase the overall rental above the basic rental.

In addition to the basic rental, when the average annual sales proceeds (before deduction of any value added tax, business tax and sales tax), including sales income of Shanghai Ongoing and its sub-tenants and income derived from other commercial activities at the Shanghai Premises over the period from the commencement of the Existing Shanghai Jiuguang Tenancy Agreement to and including that year exceeds RMB1,500 million, a turnover rent calculated at the rate of 3.5% on the amount of annual sales proceeds over and above RMB1,500 million (after deduction of value added tax, business tax and sales tax) shall be payable by Shanghai Ongoing to Shanghai Joinbuy City Plaza as follows:

$$\text{Turnover rent} = ((A - \text{RMB1,500 million}) - B) \times 3.5\%$$

where:

A = annual turnover before the deduction of any valued added tax, business tax and sales tax, including sales income of Shanghai Ongoing and its sub-tenants and income derived from other commercial activities at the Shanghai Premises

B = valued added tax, business tax and sales tax

LETTER FROM THE BOARD

As the above condition for paying the turnover rent has been satisfied during the term of the Existing Shanghai Jiuguang Tenancy Agreement, Shanghai Ongoing has been paying turnover rent under the Existing Shanghai Jiuguang Tenancy Agreement and will continue to be required to pay the same upon commencement of the New Shanghai Jiuguang Tenancy Agreement, unless and until there is a Disqualifying Year (as defined below).

If in any subsequent year the annual sales proceeds fall below the RMB1,500 million threshold (“**Disqualifying Year**”), no turnover rent will be payable from that year onward until the year when the average annual sales proceeds over the period from the Disqualifying Year to and including that year exceeds RMB1,500 million again.

For the first year when average annual sales proceeds exceeds RMB1,500 million and in the case when the average annual sales proceeds subsequently falls below such benchmark, the first year when the average annual sales proceeds exceeds such benchmark again, the turnover rent will be calculated based on the above formula but subject to a cap calculated as follows:

$$\text{Cap} = (C - D) \times 3.5\%$$

where:

C = the actual accumulated sales proceeds (calculated after the deduction of any value added tax, business tax and sales tax) for the period since the commencement of the Existing Shanghai Jiuguang Tenancy Agreement or the Disqualifying Year (as the case may be)

D = the expected accumulated sales proceeds for the same period calculated at the rate of RMB1,500 million per annum

Payment term : The annual basic rental is payable by 12 monthly instalments. The turnover rent for a particular year is payable within the period of 1 February to 10 February of the following year.

LETTER FROM THE BOARD

Renewal : Shanghai Ongoing has an option to renew the New Shanghai Jiuguang Tenancy Agreement for a further period of 10 years upon expiry of the initial term provided that Shanghai Ongoing has served a notice of renewal on Shanghai Joinbuy City Plaza at least 12 months before the expiry of the initial term. Save for the rental for the renewed term which will refer to the then market rental on the basis of letting a whole building to a single tenant with a preferential discount, the terms and conditions of the New Shanghai Jiuguang Tenancy Agreement for the renewed term will remain unchanged.

Upon renewal of the New Shanghai Jiuguang Tenancy Agreement, our Company will comply with all applicable requirements under the Listing Rules, including (where required) the obtaining of approval of the Shareholders.

Management fee and other charges : The management fee of the Shanghai Premises will be charged to Shanghai Ongoing at cost and shall be payable to the property management branch company of Shanghai Joinbuy City Plaza on a monthly basis. Shanghai Ongoing is also responsible for the charges for supplies of water, electricity and gas, communication and equipment in relation to the Shanghai Premises.

Use of Shanghai Premises : Commercial use

Effective date : The New Shanghai Jiuguang Tenancy Agreement will become effective after being sealed by both parties, and subject to the approval of the transactions contemplated under the New Shanghai Jiuguang Tenancy Agreement by the Shareholders in accordance with applicable rules and regulations (including the Listing Rules).

If Shanghai Joinbuy City Plaza intends to sell the Shanghai Premises during the term of the New Shanghai Jiuguang Tenancy Agreement, Shanghai Ongoing will have the first right of refusal to acquire the Shanghai Premises on the same terms.

The Shanghai Premises is currently solely used for the operation of Shanghai Jiuguang which has adopted a strategy to tailor its products and services to meet the needs of the young affluent consumer group, with primary focus on middle to upper-end products ranging from daily necessity items to luxury products of international and domestic brands.

The rental and management fee under the New Shanghai Jiuguang Tenancy Agreement were determined after arm's length negotiation between the parties with reference to local market conditions and expected business performance of Shanghai Jiuguang.

LETTER FROM THE BOARD

The rental and management fee under the New Shanghai Jiuguang Tenancy Agreement will be paid by Shanghai Ongoing from cashflow to be generated from its operation and internal resources of Shanghai Ongoing. The property management branch company of Shanghai Joinbuy City Plaza will charge Shanghai Ongoing the management fee on a monthly basis.

3. PROPOSED NEW ANNUAL CAPS AND BASIS OF DETERMINATION OF THE PROPOSED NEW ANNUAL CAPS

Historical amounts:

The amount of the turnover rent and management fee paid or payable by Shanghai Ongoing for each of the three years ended 31 December 2020, 2021 and 2022 are set out below:

	For the year ended 31 December		
	2020 (audited) RMB('000)	2021 (audited) RMB('000)	2022 (unaudited) RMB('000)
Turnover rent paid/payable (Note)	30,483	43,794	11,541
Management fee paid/payable	35,081	36,939	39,519

Note: The annual caps following adoption of the HKFRS 16 were set to consist of depreciation charge, interest charge and turnover rent under the Existing Shanghai Jiuguang Tenancy Agreement. Upon the effective date of the New Shanghai Jiuguang Tenancy Agreement, the Group shall recognise (i) depreciation charge over the life of the right-of-use-asset and (ii) interest expense calculated based on lease liability. Accordingly, only the turnover rent will be treated as a continuing connected transaction.

Proposed New Annual Caps:

For the purpose of the Listing Rules, the proposed annual caps in respect of the turnover rent and management fee under the New Shanghai Jiuguang Tenancy Agreement to be incurred/payable by Shanghai Ongoing for the three months ending 31 December 2024 and the two years ending 31 December 2025 and 2026 are set out as follows:

	For the three months ending 31 December 2024 RMB('000)	For the year ending 31 December	
		2025 RMB('000)	2026 RMB('000)
New annual caps in respect of turnover rent	14,000	63,000	67,000
New annual caps in respect of management fee	11,000	45,000	47,000

LETTER FROM THE BOARD

If the actual amount payable by Shanghai Ongoing to Shanghai Joinbuy City Plaza under the New Shanghai Jiuguang Tenancy Agreement shall exceed the New Annual Caps or upon the expiry of the New Annual Caps on 31 December 2026, the Company will re-comply with all applicable requirements under the Listing Rules.

Basis of determination of the New Annual Caps:

The turnover rent payable pursuant to the New Shanghai Jiuguang Tenancy Agreement is arrived at based on the estimated sales growth of Shanghai Jiuguang in future years, taking into account the expected market conditions and retail sales growth at an expected growth rate of approximately 4% per annum in Shanghai and the PRC. The Group expects retail sales in Shanghai Jiuguang in 2023 will return to the 2021 level, which will represent approximately 66% growth from 2022 and a normalized 4% growth rate based on the 2021 sales level has been used to project the annual sales in subsequent years on the assumption that the expected rebound in 2023 in the economy and retailing market in the PRC following the recent relaxation of the anti-pandemic measures will normalize after the rebound. The New Annual Caps with respect to the management fees are based on budgets prepared by the property management branch company of Shanghai Joinbuy City Plaza for the three months ending 31 December 2024 and each of the two years ending 31 December 2025 and 2026. In setting the New Annual Caps of the management fees, an annual growth rate of 6% is used after taking into account historical cost trends, expected economic conditions and projected inflation rate. The 6% growth rate per annum for the management fee was taken with reference to the 6% average growth rate in the previous two years. While the Group expects the overall consumer confidence in 2023 will rebound and recover in a positive direction, the consumer price index or inflation in China will continue to be mild in the coming years.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW SHANGHAI JIUGUANG TENANCY AGREEMENT

The entering into of the New Shanghai Jiuguang Tenancy Agreement was to secure a sizable retailing space for a sufficiently long period to enable the Group to continue the operation of Shanghai Jiuguang upon expiry of the Existing Shanghai Jiuguang Tenancy Agreement in September 2024.

The lease period between Shanghai Ongoing and its sub-tenants is normally one to two years. When Shanghai Ongoing is negotiating with potential new sub-tenants or renewing the existing sub-leases with its existing sub-tenants, it has encountered requests from sub-tenants to enter into a sub-lease for a period extending beyond September 2024. On the other hand, the Existing Shanghai Jiuguang Tenancy Agreement stipulates that the period for sub-leasing or provision for others to use or occupy should not exceed the term of the Existing Shanghai Jiuguang Tenancy Agreement. As the initial term of the Existing Shanghai Jiuguang Tenancy Agreement is due to expire in less than two years in September 2024, the entering into of the New Shanghai Jiuguang Tenancy Agreement will enable

LETTER FROM THE BOARD

Shanghai Ongoing to secure the Shanghai Premises for sufficiently long period to facilitate its negotiations with respect to renewal of existing sub-leases as well as sub-leasing to potential new sub-tenants.

The Directors (including the independent non-executive Directors) are of the view that the entering into the New Shanghai Jiuguang Tenancy Agreement is in the ordinary and usual course of business of the Group and on normal commercial terms, and the terms of the New Shanghai Jiuguang Tenancy Agreement and the transactions contemplated thereunder (including the New Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. FINANCIAL EFFECTS ON THE GROUP UNDER THE NEW SHANGHAI JIUGUANG TENANCY AGREEMENT

The unaudited value of right-of-use asset to be recognised in accordance with HKFRS 16 by the Group under the New Shanghai Jiuguang Tenancy Agreement amounts to approximately RMB1.6 billion (equivalent to approximately HK\$1.8 billion) which is based on the present value of the total basic rent payable under the New Shanghai Jiuguang Tenancy Agreement calculated using incremental borrowing rate of 4.3% (being the five-year loan prime rate of the People's Bank of China). Upon the effective date of the New Shanghai Jiuguang Tenancy Agreement, the consolidated total assets and liability of the Group will increase by approximately RMB1.5 billion by recognizing the right-of-use asset and lease liability respectively. The right-of-use asset will be depreciated on a straight-line basis over the lease term, with annual depreciation charge amounting to approximately RMB75 million. Interest expenses on the lease liability will be recognized at the rate of 4.3% per annum on the carrying amount of the lease liability.

6. INFORMATION OF THE GROUP AND THE CONNECTED PERSON

The Group

The Group is principally engaged in the operation of department stores and related retailing business as well as property investments in the PRC. The Group mainly operates its full-fledged lifestyle department stores, with middle to upper-end market positioning, through its retail brand name “Jiuguang” in the PRC.

Shanghai Ongoing

Shanghai Ongoing is a 65% indirectly owned subsidiary of the Company and the remaining 35% equity interest is owned as to 5% by Joinbuy Group and 30% by Joinbuy Co.. Shanghai Ongoing operates the “Jiuguang” store in Jing'an district, Shanghai.

LETTER FROM THE BOARD

Shanghai Joinbuy City Plaza

Shanghai Joinbuy City Plaza is a joint venture owned as to 50% by the Company, 12% by Joinbuy Group and 38% by Joinbuy Co.. The principal business of Shanghai Joinbuy City Plaza is the holding of the Shanghai Premises, a retail property situated in Jing'an district, Shanghai, the PRC.

7. LISTING RULES IMPLICATION

Pursuant to the requirement of HKFRS16, the entering into of the New Shanghai Jiuguang Tenancy Agreement by Shanghai Ongoing as lessee will require the Group to recognise right-of-use asset on its consolidated statement of financial position in relation to the Shanghai Premises. Therefore, the entering into of the New Shanghai Jiuguang Tenancy Agreement will be regarded as an acquisition of asset by the Group under the Listing Rules. The unaudited value of right-of-use asset to be recognised by the Group under the New Shanghai Jiuguang Tenancy Agreement amounts to approximately RMB1.6 billion (equivalent to approximately HK\$1.8 billion) in accordance with HKFRS 16 which is based on the present value of the total basic rent payable under the New Shanghai Jiuguang Tenancy Agreement calculated using incremental borrowing rate of 4.3%. The value of right-of-use asset is based on preliminary assessment by the Company which have not been audited and may be subject to possible changes and adjustments.

As one of the applicable percentage ratios in respect of the acquisition of right-of-use asset to be recognised by the Group under the New Shanghai Jiuguang Tenancy Agreement is more than 100%, the entering into of the New Shanghai Jiuguang Tenancy Agreement constitutes a very substantial acquisition of the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Shanghai Ongoing is a 65% indirectly owned subsidiary of the Company and the remaining 35% equity interest is owned as to 5% by Joinbuy Group and 30% by Joinbuy Co.. Shanghai Joinbuy City Plaza is a joint venture company owned as to 50% by the Company, 12% by Joinbuy Group and 38% by Joinbuy Co..

Joinbuy Group and Joinbuy Co. (whose controlling shareholder is Joinbuy Group), being substantial shareholders of Shanghai Ongoing, are connected persons of the Company at the subsidiary level. As Shanghai Joinbuy City Plaza is owned as to 12% by Joinbuy Group and 38% by Joinbuy Co., Shanghai Joinbuy City Plaza is an associate of Joinbuy Co. and a connected person of the Company at the subsidiary level. The transaction contemplated under the New Shanghai Jiuguang Tenancy Agreement in respect of the acquisition of right-of-use asset to be recognised by the Group therefore constitutes a connected transaction and payment of the turnover rent (if any) and management fees under the New Shanghai Jiuguang Tenancy Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

By virtue of Rule 14A.101 of the Listing Rules, since (i) Shanghai Joinbuy City Plaza is a connected person of the Company at the subsidiary level; (ii) the Board has approved the New Shanghai Jiuguang Tenancy Agreement and the New Annual Caps; and (iii) the independent non-executive Directors have confirmed that the transactions contemplated under the New Shanghai Jiuguang Tenancy Agreement are on normal or better commercial terms, and the terms of the New Shanghai Jiuguang Tenancy Agreement and the New Annual Caps are fair and reasonable and in the interests of the Company and its Shareholders as a whole, the New Shanghai Jiuguang Tenancy Agreement and the transactions contemplated thereunder are subject to the announcement and (to the extent constituting continuing connected transaction for the Company) annual review requirements but are exempted from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules. If the New Shanghai Jiuguang Tenancy Agreement and the transactions contemplated thereunder is not approved at the EGM, all transactions contemplated under the New Shanghai Jiuguang Tenancy Agreement (including the transaction constituting continuing connected transaction for the Company) will not proceed.

In addition, pursuant to Rule 14A.52 of the Listing Rules, as the term of the New Shanghai Jiuguang Tenancy Agreement exceeds three (3) years, the Company has appointed the Independent Financial Adviser to explain why the New Shanghai Jiuguang Tenancy Agreement requires a longer period and to confirm that it is a normal business practice for agreements of this type to be of such duration.

In arriving at its opinion, the Independent Financial Adviser has taken into account the following factors when formulating its opinion pursuant to Rule 14A.52 of the Listing Rules:

- (i) the Independent Financial Adviser has discussed with the Company and noted that the Group has been leasing the Shanghai Premises for its operation of Shanghai Jiuguang since 2004. Hence, the entering into the New Shanghai Jiuguang Tenancy Agreement will ensure the Group to continue using the Shanghai Premises and the longer lease term under the New Shanghai Jiuguang Tenancy Agreement would not only avoid unnecessary interruption of the Group's business operations but also save the possible relocation risks and costs, as well as consolidating its market position and attracting more customer foot traffic. In light of the above, it is commercially justifiable for the term of the New Shanghai Jiuguang Tenancy Agreement to be more than three years; and
- (ii) the Independent Financial Adviser has further identified and reviewed market comparable transactions (the "**Comparable Transactions**") involving the leasing of properties by department store and supermarket operators. The Comparable Transactions are selected based on the following criteria: (i) each of the transactions is publicly announced by way of announcement pursuant to the Listing Rules from 1 November 2012 up to the date of this circular; (ii) the tenant of each of the transactions is a company listed on the Stock Exchange; and (iii) each of the transactions relates to the leasing of properties as department stores or

LETTER FROM THE BOARD

supermarkets by department store or supermarket operators. From the Comparable Transactions, the Independent Financial Adviser noted that the tenures of the Comparable Transactions ranged from 3 to 20 years with a majority of them having a tenure of at least 10 years. The tenure of the New Shanghai Jiuguang Tenancy Agreement, being 20 years, therefore falls within the aforesaid range and is in line with general market practice. In addition, notwithstanding the background for the tenancy or lease agreements of the Comparable Transactions may or may not be exactly the same as that of the Company, the fact that companies with similar business nature as the Group having also entered into tenancy or lease agreement with a term of more than three years demonstrate that it is normal business practice for such agreement to be of longer durations.

Having considered the above, the Independent Financial Adviser is of the view that it is normal business practice for the New Shanghai Jiuguang Tenancy Agreement to have a tenure of up to 20 years.

8. GENERAL

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders or any of their respective associates has a material interest in the New Shanghai Jiuguang Tenancy Agreement and the transaction contemplated thereunder. As such, no Shareholders will be required to abstain from voting at the EGM on the resolution to approve the same.

9. PROPOSED ADOPTION OF THE NEW MEMORANDUM AND ARTICLES OF ASSOCIATION

The Board proposes to amend the Memorandum and Articles of Association to, among others, (i) bring the Articles of Association in line with the relevant requirements of the applicable laws of the Cayman Islands and the amendments made to the Listing Rules which came into effect on 1 January 2022, including but without limitation, the requirements set out in Appendix 3 to the Listing Rules for listed issuers to adopt a uniform set of 14 “Core Standards” for shareholder protection; (ii) enable the Company to convene and hold electronic or hybrid general meetings of the Company and providing flexibility to the Company in relation to the conduct of general meetings; and (iii) make certain minor housekeeping amendments to the Memorandum and Articles of Association for the purpose of clarifying existing practice and making consequential amendments in line with the amendments to the Memorandum and Articles of Association (collectively, the “**Proposed Amendments**”). Accordingly, the Board proposes to adopt the New Memorandum and Articles of Association incorporating the Proposed Amendments in substitution for, and to the exclusion of, the Memorandum and Articles of Association. Details of the Proposed Amendments are set out in Appendix IV to this circular.

LETTER FROM THE BOARD

The legal advisers to the Company as to Hong Kong laws have confirmed that the Proposed Amendments conform with the applicable requirements under the Listing Rules. The legal advisers to the Company as to the laws of the Cayman Islands have confirmed that the Proposed Amendments do not contravene the applicable laws of the Cayman Islands. The Company confirms that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

The following are the major changes to bring the Memorandum and Articles of Association in line with the relevant requirements of the applicable laws of the Cayman Islands and the Listing Rules:

1. to replace all the references to “Companies Law” with “Companies Act” and make corresponding changes to the relevant provisions of the Memorandum and Articles of Association, including the insertion of the definition of “Act” and the deletion of the definition of “Law”;
2. to include certain defined terms including “announcement” and “Listing Rules” and to remove certain defined terms including “business day”, “Law” and “Subsidiary and Holding Company” to align with the applicable laws of the Cayman Islands, the Listing Rules and the relevant provisions in the new Articles of Association and to update relevant provisions in the Articles of Association in this regard;
3. to clarify that any Director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall hold office until the first annual general meeting of the Company after his appointment and be subject to re-election at such meeting;
4. to provide that an annual general meeting of the Company shall be held for each financial year within six months after the end of the Company’s financial year;
5. to clarify that an annual general meeting of the Company must be called by notice of not less than twenty-one (21) clear days, while all other general meetings (including an extraordinary general meeting) must be called by notice of not less than fourteen (14) clear days but if permitted by the Listing Rules, a general meeting may be called by shorter notice, if it is so agreed and to update relevant provisions in the Articles of Association in this regard;
6. to clarify that all Shareholders have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Shareholder is required, by the Listing Rules, to abstain from voting to approve the matter under consideration and to update relevant provisions in the Articles of Association in this regard;
7. to clarify that a Shareholder being a clearing house may by its authorised representative or proxy be counted in and form a quorum at any general meeting of the Company;

LETTER FROM THE BOARD

8. to clarify that the Board's power to present a petition to the court in the name and on behalf of the Company for the Company to be wound up is subject to the passing of relevant resolutions that the Company be wound up by the court or be wound up voluntarily under the Companies Act;
9. to provide that if within twenty-one (21) clear days of the deposit of requisition by qualified Shareholders to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolutions specified in such requisition, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may convene a physical meeting at only one location which will be the principal meeting place;
10. to allow, for quorum purposes only, two persons appointed by the clearing house as authorised representative or proxy to form a quorum for a general meeting of the Company for all purposes;
11. to clarify that the auditor of the Company may be removed by the Shareholders by ordinary resolution at any general meeting convened at any time before the expiration of his term of office;
12. to clarify the circumstances under which the prohibition on a Director from voting (or being counted in the quorum) in relation to any Board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested shall not apply;
13. to provide that the financial year end of the Company shall be the 31st of December in each year, unless otherwise determined by the Directors; and
14. to clarify that a resolution put to the vote of a meeting shall be decided by way of a poll save that in the case of a physical meeting, the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands and make corresponding changes to the relevant provisions in the Articles of Association in this regard.

The following are the major changes to facilitate the holding of electronic general meetings and to bring some other housekeeping improvements:

15. to insert the definitions of "electronic communication", "electronic meeting", "hybrid meeting", "Meeting Location", "physical meeting" and "Principal Meeting Place", and making corresponding changes to the relevant provisions in the Articles of Association in this regard;

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16. to insert or amend provisions to facilitate electronic communications and hybrid and electronic meetings, including Articles 2(1), 2(2), 51, 57, 58, 59(2), 62, 63, 64, 64A-64G, 66(1), 77, 78, 113(2), 158 as follows:
- (a) to allow all general meetings (including an annual general meeting and any adjourned or postponed meeting) to be held as a physical meeting in any part of the world and at one or more locations, or as a hybrid meeting or an electronic meeting;
 - (b) to include additional details to be specified in a notice of general meeting in light of allowing general meetings to be held at one or more meeting locations, or as a hybrid meeting or an electronic meeting;
 - (c) to include provisions clarifying the election of chairperson of the meeting and in the case of the chairman of a general meeting participating using an electronic facility and becomes unable to participate in the general meeting using such electronic facility;
 - (d) to specify that the chairman may adjourn or postpone a meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine;
 - (e) to provide that votes may be cast by such means, electronic or otherwise, as the Board or the chairman of the meeting may determine;
 - (f) to allow the Company to provide an electronic address for the receipt of any document or information relating to proxies for a general meeting;
 - (g) to allow the Board to decide, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under the new Articles has not been received in accordance with the requirements of the new Articles. Subject to aforesaid, if the proxy appointment and any of the information required under the new Articles of Association is not received in the manner set out in the new Articles of Association, the appointee shall not be entitled to vote in respect of the shares in question;
 - (h) to expressly allow the board to send notice of board meeting and convene meetings by electronic means;
 - (i) to provide that the Board may elect one or more chairman and one or more deputy chairman of its meetings and if no chairman or deputy chairman is elected, or if at any meeting no chairman or deputy chairman is present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting;

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- (j) to amend relevant provisions to expand the means of servicing notice or document by the Company;
17. to provide clarity with regard to the share capital of the Company including Articles 3(4), 9, 10, 12(1), 44, 45, 46(2), 51 and 55(2)(c) as follows:
- (a) the power of the Board in connection with purchase and issuance of shares by the Company and accepting surrender for no consideration;
 - (b) to remove the provision that where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Shareholders alike;
 - (c) to clarify that no shares of the Company may be issued at a discount to their nominal value;
 - (d) to relax, subject to compliance with the Listing Rules, the record dates for determining the Shareholders' entitlement to any dividend, distribution, allotment or issue;
 - (e) to provide that titles to shares listed on the Stock Exchange may be evidenced and transferred in accordance with the applicable laws and the Listing Rules;
 - (f) the power to extend the period of suspension for the registration of transfers of shares or closure of register of members of the Company;
 - (g) to clarify the notice requirement for the Company to sell untraceable shares of a Shareholder;
 - (h) to clarify that, in relation to a separate general meeting for the variation of any special rights attached to the shares or any class of shares, the necessary quorum (including at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class;
18. to provide that, in relation to a notice to propose a person for election as a Director and a notice signed by the person to be proposed of his willingness to be elected, such notices must be lodged with the Company within the seven-day period commencing on and including the day after despatch of the notice of the meeting (or, subject to the Listing Rules, such other period as may be determined by the Directors from time to time);
19. in relation to the Board, to insert new provisions with regard to the deemed signing of written resolutions of Directors by notification of consent;

LETTER FROM THE BOARD

20. in relation to capitalisation, to insert provision to empower the Board to capitalise certain reserves of the Company to pay up unissued shares to be allotted to employees or trustee in connection with the operation of share incentive scheme or employee benefit scheme;
21. to expand the scope of indemnity to cover past Directors, secretary, other officers, auditor, liquidator or trustee;
22. to remove the provision which provides that in the event of winding-up of the Company in Hong Kong, every Shareholder of the Company who is not for the time being in Hong Kong shall be bound to serve notice in writing on the Company appointing some person resident in Hong Kong upon whom summonses and other notices, process or orders under the winding up may be served;
23. to provide that the Directors may fill any casual vacancy in the office of Auditor and fix the remuneration of such Auditor, who shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Shareholders at such remuneration to be determined by the Shareholders in accordance with the new Articles of Association; and
24. to make other minor amendments to the existing Articles of Association to introduce corresponding as well as house-keeping changes.

10. EGM

A notice of EGM at which a ordinary resolution will be proposed to approve the New Shanghai Jiuguang Tenancy Agreement and the transactions contemplated thereunder and a special resolution will be proposed to adopt the New Memorandum and Articles of Association are set out on pages 78 to 80 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon as soon as possible but in any event not later than 48 hours before the time appointed for the holding of such meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish and in such event, the form of proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

11. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the New Shanghai Jiuguang Tenancy Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the New Shanghai Jiuguang Tenancy Agreement and the transactions contemplated thereunder.

Furthermore, the Directors consider that the proposed adoption of the New Memorandum and Articles of Association are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant special resolution at the EGM.

12. VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the shareholders at the 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. In compliance with the Listing Rules and pursuant to the Articles of Association, the votes at the EGM will be taken by poll, the results of which will be announced after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

13. ADDITIONAL INFORMATION

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

On behalf of the Board
Lifestyle China Group Limited
Lau Luen Hung, Thomas
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for each of the financial years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2022 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lifestylechina.com.hk):

- (a) on pages 61 to 158 of the annual report of the Company for the year ended 31 December 2019 published on 27 March 2020
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0327/2020032700135.pdf>);
- (b) on pages 61 to 150 of the annual report of the Company for the year ended 31 December 2020 published on 8 April 2021
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0408/2021040801308.pdf>);
- (c) on pages 69 to 162 of the annual report of the Company for the year ended 31 December 2021 published on 28 April 2022
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042800528.pdf>);
and
- (d) on pages 18 to 44 of the interim report of the Company for six months ended 30 June 2022 published on 19 September 2022
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0919/2022091900318.pdf>).

2. INDEBTEDNESS

At the close of business on 31 December 2022, being the latest practicable date for the purpose of preparing this indebtedness statement prior to the printing of this circular, the Group in aggregate had outstanding bank borrowings, lease liability and amount due to a non-controlling shareholder of subsidiaries amounting to approximately RMB2,454.5 million which comprised:

	Balance as at 31 December 2022 RMB'000
(i) Bank borrowings	
— Secured and guaranteed	2,240,000
(ii) Lease liability	188,407
(iii) Amount due to a non-controlling shareholder of subsidiaries	26,142

Save as aforesaid and apart from normal trade and other payables in the ordinary course of business, the Group did not have any debt securities, term loans, outstanding loan capital, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances, or similar indebtedness, debentures, mortgages, charges, loans, acceptance credits, hire purchase commitments, guarantees or other contingent liabilities.

3. MATERIAL ADVERSE CHANGE

Save for the matters disclosed in the announcement of the Company dated 20 July 2022 in respect of profit warning and in the interim report for the six months ended 30 June 2022, as at the Latest Practicable Date, the Directors confirmed that there has been no material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL

The Directors are of the opinion that, after due and careful enquiry, taking into account the effect of the transactions contemplated under the New Shanghai Jiuguang Tenancy Agreement, the expected funds to be internally generated and existing banking facilities available to the Group, the Group will have sufficient working capital to meet its requirements for at least the next 12 months from the date of this circular, in the absence of unforeseeable circumstances.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the operation of its full-fledged lifestyle department stores and a shopping mall located in Shanghai and Suzhou, with middle to upper-end market positioning, through its retail brand name “Jiuguang” in the PRC.

As disclosed in the Company’s interim report dated 2 August 2022, the Group had total assets of approximately RMB14,569.2 million, with cash and bank balances amounting to approximately RMB1,477.6 million. The resurgence of COVID-19 pandemic during 2022 in Shanghai and provinces/cities around the Yangtze Delta Region has made the operating environment extremely difficult for the Group as Shanghai and Suzhou represent the mainstay of the Group’s operations. For the six months ended 30 June 2022, the Group’s revenue decreased 22.4% year-on-year to RMB508.5 million, compared with RMB655.1 million in the same period last year amid serious business disruption. The lingering effects of the COVID-19 pandemic in the PRC is expected to negatively affect the Company’s full year results in 2022. For further details, please refer to pages 4 to 13 of the section headed “Management Discussion and Analysis” of the interim report of the Company for the six month ended 30 June 2022 dated 2 August 2022.

The government has towards the end of 2022 announced to ease its strict zero-COVID policies in the PRC. With the desire for travelling freely triggered by the three-year epidemic closure and the gradual liberalisation of mobility and customs clearance policies, it is expected that the overall consumer confidence in 2023 will recover from the beginning of the year and subsequently develop in a positive direction. The Group will seize the opportunity and plan ahead accordingly. On the one hand, the Group will further strengthen the Jiuguang brand by linking up the Shanghai Jiuguang Department Store, Shanghai Jiuguang Center and Suzhou Jiuguang Department Store, with a view to leveraging the brand's appeal as an attraction for consumers to shop and make repeated purchases at the shops. At the same time, Shanghai Jiuguang and Suzhou Jiuguang will continue to optimize their product and brand portfolios to meet the needs of the middle class. Shanghai Jiuguang Center aims to strengthen its position as a leading lifestyle retailer by offering diversified lifestyle experiences and services. The Company is confident that with our appropriate business strategies and extensive industry experience, the Group will achieve better results in 2023.

6. MANAGEMENT DISCUSSION AND ANALYSIS

Set out below is the management discussion and analysis of the Group for the year ended 31 December 2021 and the six months ended 30 June 2022 as extracted from the Company's respective annual report and interim report. Unless otherwise defined in this circular or the context otherwise requires, capitalised terms used in this section shall have the same meanings as those ascribed in the abovementioned annual report and interim report of the Company.

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial Results

- (i) For the year ended 31 December 2021, the Group's revenue increased 15.6% to reach RMB1,299.7 million, compared with the RMB1,124.0 million recorded in 2020 and surpassed the pre-pandemic level of RMB1,204.1 million recorded in 2019. The increase was primarily a result of the Group's effective marketing strategies which successfully drove sales at the two Jiuguang stores, particularly in the first half of 2021, as well as the contribution from the newly-opened Shanghai Jiuguang Center since late November.
- (ii) The total sales proceeds of the Group grew by 17.3% year-on-year to RMB3,482.9 million in 2021, up from RMB2,968.2 million in 2020.
- (iii) The Group's gross profit amounted to RMB790.4 million for the year, an increase of 16.0% from RMB681.4 million in the previous year.

- (iv) Net profit attributable to shareholders of the Company for the year ended 31 December 2021 amounted to RMB143.4 million, as compared to RMB212.7 million in 2020. The decrease in profit was mainly due to increase in selling and distribution costs and administrative expenses, which was a result of the inclusion of the normal operating and pre-opening fitting and decoration expenses, as well as an one-off opening expenses of RMB34.8 million of the Shanghai Jiuguang Center.
- (v) The Group's aggregate selling and distribution costs grew 28.1% to RMB523.7 million in 2021 from RMB408.8 million in 2020. The increase was mainly attributable to (i) increase in operating expenses of RMB33.2 million amid sales growth; (ii) increase in depreciation and amortization charges of RMB21.1 million, mainly from the Shanghai Jiuguang Center; and (iii) an approximately RMB36.6 million of counter fitting and decoration costs for the brand partners as incentives for them to operate in the Group's Shanghai Jiuguang Center.
- (vi) The Group's general administrative expenses surged 52.7% to approximately RMB238.3 million from RMB156.1 million recorded in 2020. The increase was mainly attributable to (i) additional depreciation charge of approximately RMB11.8 million and a one-off store grand-opening expense of RMB34.8 million with respect to the Shanghai Jiuguang Center; and (ii) increase in staff costs of approximately RMB32.0 million.
- (vii) Staff costs (excluding directors' emoluments) increased by 22.9% to approximately RMB191.3 million from RMB155.6 million in 2020. The increase was mainly attributable to (i) additional staff costs incurred for the operation of the Shanghai Jiuguang Center; (ii) increase in social security contributions in the absence of relief measures implemented by the government last year; and (iii) payment of a one-off compensation of RMB6.2 million for the dismissed staff after outsourcing the Freshmart supermarket operation at Suzhou store and optimizing checkout process for the concessionaire counters. Notwithstanding additional headcount was required for the operation of the Shanghai Jiuguang Center, the total number of full-time staff employed by the Group as at 31 December 2021 was 1,167, only a small increase from 1,159 as at 31 December 2020 as the additional headcount was off-set by the number of staff being made redundant.
- (viii) Other income, gains and losses, which mainly comprises management fees, third-party payment platform charges and other miscellaneous income received from the counters/tenants, other sundry income and exchange gains/losses, recorded an increase of 26.3% to RMB130.5 million for the year ended 31 December 2021. The increase was primarily attributable to (i) rise in management fee income and third-party payment platform charges from counters amid sales growth; and (ii) a gain on lease modification of RMB17.0 million (2020: RMB15.3 million) resulting from a change in the lease term in respect of the tenancy for the Freshmart supermarket in Changning, Shanghai.

- (ix) The Group's income from interest and investments decreased by 6.4% to RMB51.3 million in 2021 from RMB54.8 million in 2020. The drop was mainly due to a decrease in investment income from the Group's structured deposits.
- (x) The Group's finance costs mainly consisted of interest incurred on bank borrowings. Total finance costs and interest incurred for the year before capitalization, was approximately RMB124.9 million (2020: RMB133.8 million) and the slight decrease was mainly due to a drop in the finance charge from lease liabilities following the lease modification relating to the lease for the Freshmart in Changning, Shanghai.

Liquidity and Financial Resources

The Group's adjusted EBITDA for the year 2021 increased to RMB326.4 million from RMB313.8 million, mainly attributable to the sales growth. As at 31 December 2021, the Group's net debt (defined as cash and cash equivalents and amount due from associates less total bank borrowings, amount due to a non-controlling shareholder of subsidiaries and amount due to a joint venture) improved slightly to approximately RMB444.8 million from RMB457.8 million as at 31 December 2020.

As at 31 December 2021, the Group's cash and cash equivalents amounted to approximately RMB1,858.2 million (2020: RMB1,906.9 million), of which RMB9.3 million was denominated in Hong Kong dollars and kept in Hong Kong. The remaining cash balance was kept in mainland China, of which approximately 4.2% was denominated in United States dollars and the remaining 95.8% in Renminbi. The decrease in cash at banks, as compared with that at 31 December 2020, was mainly a result of the RMB60 million repayment of bank loan during the year.

As at 31 December 2021, the Group's outstanding secured bank loans amounted to RMB2,340 million (2020: RMB2,400 million) and this bank loan facility bears interest calculated with reference to benchmark lending rates of the People's Bank of China. The actual interest rate as at 31 December 2022 is 4.312%. The Group's debt to equity ratio (defined as bank borrowings divided by equity attributable to owners of the Company) improved to 25.1% as at the end of the year from 26.1% a year earlier. As at 31 December 2021, the Group had no unutilized banking facility available (2020: same).

Foreign Exchange Management

The functional currency of the Company and its subsidiaries operating in the PRC is Renminbi, in which majority of the Group's transactions are denominated. As described in the "Liquidity and Financial Resources" section above, a small portion of the Group's monetary assets are denominated in foreign currencies, namely Hong Kong dollars and United States dollars. Given the fact that the majority of the Group's revenue and expenses, as well as its borrowings and capital expenditures, are denominated in Renminbi, and the Hong Kong dollar cash balance kept in Hong Kong is for settling operating expenses

outside of mainland China, the Group currently does not need a comprehensive foreign currency hedging policy. Management will, however, monitor the Group's foreign currency exposure and will consider taking appropriate measures to mitigate any significant potential foreign currency risk should the need arise.

Pledge of Assets

As at 31 December 2021, certain of the Group's (i) property, plant and equipment in the PRC with a book value of approximately RMB3,936 million (2020: RMB3,382 million); (ii) right-of-use assets in the PRC with a book value of approximately RMB1,671 million (2020: RMB1,721 million); and (iii) investment property in the PRC with a book value of approximately RMB1,292 million (2020: property under development of RMB1,346 million) were pledged to secure bank loan facilities of approximately RMB2,340 million (2020: RMB2,400 million) for development of the Shanghai Jiuguang Center, which comprises both property, plant and equipment and investment property.

Contingent Liabilities

The Group did not have any material contingent liabilities as at 31 December 2021.

Significant Investments, Material Acquisitions and Disposals

There were no significant investments, material acquisitions or disposals during the year.

FOR THE SIX MONTHS ENDED 30 JUNE 2022

Financial Results

- (i) For the six months ended 30 June 2022 ("Period"), the Group's revenue decreased 22.4% year-on-year to RMB508.5 million, due to serious disruption to the Group's business amid COVID-19 outbreak in Shanghai that the Group's Shanghai and Suzhou stores and Shanghai Jiuguang Center were suspended for business during April and May and shortened opening hours for certain periods in compliance with the government's anti-COVID-19 pandemic measures.
- (ii) For the Period, total sales proceeds of the Group decreased 38.4% year-on-year to RMB1,087.4 million from RMB1,765.0 million recorded a year earlier.
- (iii) For the Period, the Group's gross profit decreased 25.5% year-on-year to RMB288.3 million.

- (iv) Net profit attributable to shareholders of the Company decreased 83.5% year-on-year to RMB27.9 million for the Period and the decrease was primarily due to (i) sales decline amid serious business disruption in the Group's business operation as well as the granting of waiver in respect of guaranteed sales commission and rental to business partners; (ii) a loss of RMB116.3 million being recorded for the Shanghai Jiuguang Center, as a result of revenue loss, caused by the aforesaid anti-pandemic measures, coupled with high operating expenses relative to revenue, in particular depreciation and amortization charges, as well as finance cost which could no longer be capitalized following its commencement of operations; (iii) a decrease in interest income of RMB12.3 million; and (iv) absence of a lease modification gain of RMB17.0 million recorded in the same period last year. The profit drop however was partly offset by an increase in the share of profits from the Beiren Group to the tune of RMB24.9 million.
- (v) The Group's aggregate selling and distribution costs grew 29.2% year-on-year to RMB282.5 million for the Period, compared with RMB218.7 million in the same period of 2021. The increase was primarily attributable to rise in depreciation and amortization charges as well as the real-estate tax in respect of the Shanghai Jiuguang Center. The Group's aggregate selling and distribution expenses as a percentage of total sales proceeds increased to approximately 26.0% for the Period, compared with 12.4% in the same period of 2021 as the initial sales from the newly opened Shanghai Jiuguang Center was not in proportion to its operating expenses.
- (vi) The Group's general administrative expenses increased 43.3% year-on-year to approximately RMB109.6 million from RMB76.5 million recorded a year earlier and the increase was mainly attributable to increase in depreciation charge and amortization expense, again from Shanghai Jiuguang Center.
- (vii) Staff costs (excluding directors' emoluments) for the Period increased 11.0% year-on-year to approximately RMB93.6 million from RMB84.4 million in the same period of 2021 and the increase was mainly attributable to certain of the staff cost for the Shanghai Jiuguang Center can no longer be capitalized in the current period. The total number of full-time staff employed by the Group as at 30 June 2022 was 1,160, compared with 1,172 as at 30 June 2021.
- (viii) Other income, gains and losses, which mainly comprise management fees, third-party payment platform charges and other miscellaneous income received from the counters/tenants, other sundry income and exchange gains/losses, increased 71.5% year-on-year to RMB104.9 million for the Period. The increase was primarily attributable to the additional management fee income from the Shanghai Jiuguang Center and reduction in real-estate taxes as subsidies from the government.
- (ix) The Group's income from interest and investments tumbled 48.4% year-on-year to RMB13.2 million during the Period as result of a drop in the Group's bank balances.

- (x) The Group's finance costs mainly consisted of interest incurred on bank borrowings. Total finance costs for the Period amounted to approximately RMB58.4 million (2021: RMB9.6 million) and the increase was due to the bank loan interest of RMB51.3 million (2021: RMB52.8 million) could no longer be capitalized after the commencement of operations of the Shanghai Jiuguang Center in late November of 2021.

Liquidity and Financial Resources

The Group's adjusted EBITDA for the Period decreased to RMB170.0 million from RMB189.9 million recorded in the same period of 2021, mainly due to the sales and revenue decline amid the COVID-19 outbreak. As at 30 June 2022, the Group's net debt (defined as cash and cash equivalents and amounts due from associates less total bank borrowings, amount due to a non-controlling shareholder of subsidiaries and amount due to a joint venture) increased to approximately RMB742.4 million from the approximately RMB444.8 million as at 31 December 2021 mainly due to a fall in the Group's cash and bank balances.

As at 30 June 2022, the Group's cash and cash equivalents amounted to approximately RMB1,477.6 million (31 December 2021: RMB1,858.2 million), of which RMB9.7 million was denominated in Hong Kong dollars and kept in Hong Kong. The remaining cash balance was kept in mainland China, of which approximately 5.6% was denominated in United States dollars and the remaining 94.4% in Renminbi. The decrease in cash at banks, as compared with that at 31 December 2021, was mainly due to the significant revenue loss, the increase in operating expenses and payment of construction payable in respect of the Shanghai Jiuguang Center during the Period.

As at 30 June 2022, the Group's outstanding secured bank loans amounted to RMB2,290 million (31 December 2021: RMB2,340 million) and this bank loan facility bears interest calculated with reference to benchmark lending rates of the People's Bank of China. The Group's debt to equity ratio (defined as bank borrowings divided by equity attributable to owners of the Company) was 24.5% as at the end of the Period (31 December 2021: 25.1%).

Foreign Exchange Management

The functional currency of the Company and its subsidiaries operating in the PRC is Renminbi, in which substantially all of the Group's transactions are denominated. As described in the "Liquidity and Financial Resources" section above, a small portion of the Group's monetary assets are denominated in foreign currencies, namely Hong Kong dollars and United States dollars. Given the fact that the majority of the Group's revenue and expenses, as well as its borrowings and capital expenditures, are denominated in Renminbi, and the Hong Kong dollar cash balance kept in Hong Kong is for settling operating expenses outside mainland China, the Group currently does not need a comprehensive foreign currency hedging policy. Management will, however, monitor the Group's foreign currency exposure and will consider taking appropriate measures to mitigate any significant potential foreign currency risk should the need arise.

Pledge of Assets

As at 30 June 2022, certain of the Group's (i) property, plant and equipment in the PRC with a book value of approximately RMB3,852 million (31 December 2021: RMB3,936 million); (ii) right-of-use assets in the PRC with a book value of approximately RMB1,645 million (31 December 2021: RMB1,671 million); and (iii) investment property in the PRC with a book value of approximately RMB1,281 million (31 December 2021: RMB1,292 million) were pledged to secure bank borrowings of approximately RMB2,290 million (31 December 2021: RMB2,340 million).

Contingent Liabilities

The Group did not have any material contingent liabilities as at 30 June 2022.

Significant Investments, Material Acquisitions and Disposals

There were no significant investments, material acquisitions or disposals during the Period.

The following is the text of a letter and valuation report prepared for the purpose of incorporation in this circular received from Cushman & Wakefield Limited, an independent property valuer, in connection with its opinion of the rental value of the Shanghai Premises, for Renewal of the Tenancy Agreement leased to the Group, as at 28 December 2022.



27/F, One Island East
Taikoo Place
18 Westlands Road
Quarry Bay
Hong Kong

22 February 2023

The Board of Directors
Lifestyle China Group Limited
20th Floor, East Point Centre
555 Hennessy Road
Causeway Bay
Hong Kong

Dear Sirs,

Re: The entire building (including the open space, external wall and roof top of the building) situated at 1618 Nanjing Xi Road, Shanghai, the PRC known as Shanghai Joinbuy City Plaza Building (“Shanghai Premises”)
位於中國上海市南京西路1618號名為上海久百城市廣場大廈整幢大廈(包括公共空間、外牆及大廈屋頂)

Instructions, Purpose & Valuation Date

In accordance with the instructions of Lifestyle China Group Limited (the “**Company**”) for us to provide our opinion of the market rent of the Shanghai Premises for Renewal of the Tenancy Agreement leased by 上海久光百貨有限公司 (Shanghai Ongoing Department Store Limited), of which the Group owns an effective equity stake of 65%, (collectively the “**Group**”) in the People’s Republic of China (the “**PRC**”) (as more particularly described in the attached valuation report), we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we considered necessary for the purpose of providing the Company with our opinion of market rent of the Shanghai Premises as of 28 December 2022 (the “**Valuation Date**”).

Valuation Basis

Our valuation of the Shanghai Premises represent its market rent which in accordance with HKIS Valuation Standards 2020 published by the Hong Kong Institute of Surveyors (“HKIS”) is defined as “the estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We confirm that the valuation is undertaken in accordance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and HKIS Valuation Standards 2020.

Valuation Assumption

Our valuation of the Shanghai Premises exclude an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special consideration or concessions granted by anyone associated with the letting, or any element of value available only to a specific lessor or lessee.

Our valuation has been made on the assumption that the lessor leases or lets the Shanghai Premises on the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the market rent of the Shanghai Premises.

Unless otherwise stated, our valuation of the Shanghai Premises is on a 100% interest basis.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Shanghai Premises nor for any expenses or taxation which may be incurred in effecting a lease.

Unless otherwise stated, it is assumed that the Shanghai Premises is free from encumbrances, restrictions and onerous nature which could affect its market rent.

Method of Valuation

In valuing the Shanghai Premises, we have adopted Market Comparison Method which is universally considered the most acceptable method for assessing the rent of most forms of real estate. This involves the analysis of recent market rental evidences of similar properties to compare with the Shanghai Premises under assessment. Each comparable is analysed on the basis of its unit rent; each attribute of the comparable is then compared with the Shanghai Premises and where there is a difference, the unit rent is adjusted in order to arrive at the appropriate unit rent for the Shanghai Premises.

Source of Information

We have relied to a very considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of the Shanghai Premises, tenancy information, particulars of occupancy, site and floor area and all other relevant matters.

Dimensions, measurements and areas included in the valuation report are based on information provided to us and are therefore only approximation. We have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation. We were also advised by the Company that no material facts have been omitted from the information provided.

We would point out that the copies of documents provided to us are mainly compiled in Chinese characters and the transliteration in English represents our understanding of the contents. We would therefore advise the Company to make reference to the original Chinese edition of the documents and consult your legal adviser regarding the legality and interpretation of these documents.

Title Investigation

We have been provided with the copies of title documents relating to the Shanghai Premises in the PRC. We have not been able to conduct title searches and have not inspected the original documents to ascertain any amendments which may not appear on the copies handed to us. We are also unable to ascertain the title of the Shanghai Premises in the PRC and we have therefore relied on the advice given by the Company regarding the interests of the Group in the Shanghai Premises the PRC.

In valuing the Shanghai Premises, we have assumed that the owner of the Shanghai Premises has an enforceable title to the Shanghai Premises and has free and uninterrupted rights to use, occupy, assign or lease the Shanghai Premises for the whole or part of the unexpired term as granted. We have not verified the authentication of the real estate title certificates and we assume that the copy of relevant documents provided by the Company are true and accurate.

Site Inspection

Our Shanghai office valuer, Mr. Mark Zhu 朱希淳, a China Real Estate Appraiser with twelve years of experience in property valuation in the PRC, have inspected the exterior and, wherever possible, the interior of the Shanghai Premises in November 2022. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are, however, not able to report whether the Shanghai Premises is free of rot, infestation or any other structural defects.

Unless otherwise stated, we have not been able to carry out detailed on-site measurements to verify the site and floor area of the Shanghai Premises and we have assumed that the areas shown on the copies of documents handed to us are correct.

Currency and Exchange Rate

Unless otherwise stated, all sums stated in our valuation are in Renminbi (“RMB”), the official currency of the PRC.

Other Disclosure

We hereby confirm that Cushman & Wakefield Limited and the valuers conducting the valuation have no pecuniary or other interests that could conflict with the proper valuation of the Shanghai Premises or could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

We confirm that we are an independent qualified valuer, as referred to Rule 5.08 of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Market Volatility

The outbreak of the Novel Coronavirus (COVID-19) has brought high volatility to global financial markets and uncertainty to the property market. It is expected that property values will be very sensitive to development of the pandemic and changes in the financial markets. The extents of impact on different sectors of the market are different and the time for marketing and negotiating sale of a property will be longer than normal. There will be less certainty as to how long a valuation may sustain and property prices may fluctuate rapidly and materially over a short period of time. Our rental valuation of the Shanghai Premises is valid only at the Valuation Date and any subsequent changes in market conditions as well as the resulting impacts on property values after the Valuation Date cannot be taken into account. If any party intends to make reference to our valuation when entering into any transaction, he must bear in mind the high market volatility during this period of time and that property values may or may not have changed since the Valuation Date.

Intended Use and User of Report

This valuation report is issued only for the use of the Company for incorporation into its circular.

We enclose herewith our valuation report for your attention.

Yours faithfully,
For and on behalf of
Cushman & Wakefield Limited
Philip C Y Tsang
Registered Professional Surveyor (General Practice)
MSc, MHKIS
Director

Note: Mr. Philip C Y Tsang is Registered Professional Surveyor who has over 30 years' experience in the valuation of properties in the PRC.

VALUATION REPORT

The Shanghai Premises leased by the Group in the PRC

Shanghai Premises	Description and tenure	Particulars of occupancy	Market Rent in existing state as at 28 December 2022
<p>The entire building (including the open space, external wall and roof top of the building) situated at 1618 Nanjing Xi Road, Shanghai, the PRC known as Shanghai Joinbuy City Plaza Building 位於中國上海市南京西路1618號名為上海久百城市廣場大廈整幢大廈(包括公共空間、外牆及大廈屋頂)</p>	<p>The Shanghai Premises is a 9-storey plus 1 level of basement commercial building completed in 2000's.</p> <p>The basement floor is a food supermarket and car park. The first floor is the brand boutique and cosmetics, the second floor is jewellery, women's clothing and accessories, the third floor is fashionable women's clothing and brand underwear, the fourth floor is youth casual wear and sportswear series, the fifth floor is for men's clothing series and accessories, golf clothing and supplies, the sixth floor is for sports goods and children's world, the seventh floor is for home life products series, the eighth floor is for food & beverages, and the ninth floor is for fitness club.</p> <p>The Shanghai Premises has a total gross floor area of approximately 91,833.16 sq.m.</p> <p>The Shanghai Premises is located in the Jing'an Temple area of Shanghai, with Nanjing Xi Road in the south. Development nearby are mainly commercial, office and residential developments.</p> <p>As advised by the Company, the land use rights of the Shanghai Premises is granted for a term of 40 years for commercial use.</p>	<p>As at the Valuation Date, the Shanghai Premises was leased by the Group for a period of 20 years, commencing 1 October 2004 to 30 September 2024, at the basic annual rent of RMB125 million. An additional turnover rent is payable calculated at the rate of 3.5% on the amount of annual turnover over and above RMB1,500 million (after deduction of value added tax, business tax and sales tax).</p> <p>The Shanghai Premises is operated by the Group as Shanghai Jiuguang Department Store (上海久光百貨).</p>	<p>RMB183,000,000 (RENMINBI ONE HUNDRED EIGHTY THREE MILLION) per year, inclusive of VAT (see Note 1)</p>

Notes:

- (1) The rental valuation is conducted on the assumption that the Shanghai Premises is let for a term of 20 years from the Valuation Date with tenancy details as below:

The Shanghai Premises:	the entire building (including the open space, external wall and roof top of the building) situated at 1618 Nanjing Xi Road, Shanghai, the PRC known as Shanghai Joinbuy City Plaza Building 位於中國上海市南京西路1618號名為上海久百城市廣場整幢大廈(包括公共空間、外牆及大廈屋頂)
Gross Floor Area:	91,833.16 sq.m.
Renewal of the Tenancy Agreement Lease Term:	20 years
Yearly Rent (1st 3 years):	RMB183,000,000 per year, inclusive of VAT but exclusive of management fee, payable monthly in 12 instalments.
Rent Increase:	5% every 3 years thereafter.

- (2) According to Shanghai Certificate of Real Estate Ownership No. (2007) 000338, the legal title details of the Shanghai Premises are as below.

Owner:	上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co. Ltd.*), of which the Group owns an effective equity stake of 50%
Site Area:	17,223 sq.m.
Gross Floor Area:	91,833.16 sq.m.
Use:	Commercial

- (3) We have adopted Market Comparison Method to select the relevant rent comparable. We have made reference to some rent comparable to the Shanghai Premises and nearby development. The rent comparable selected by us are exhaustive. Comparable properties are selected based on the following criteria: (i) the rent of comparable properties took place in 2022; (ii) comparable properties located in Shanghai; (iii) the nature of the comparable properties are similar to the Shanghai Premises (i.e. being properties for commercial purposes). We have selected three relevant rent comparables; the unit rents of these comparable properties range from about RMB330 per sq.m. per month on Basement Level and RMB230 on Level 2 per sq.m. per month. Our concluded average market rent of the whole Shanghai Premise is about RMB166 per sq.m. per month.

* For identification purpose only

The selected rent comparables details are listed below:

Rent Comparables	Area <i>(sq.m.)</i>	Achieved Unit Rent <i>(RMB/sq.m./month)</i> <i>(gross)</i>
Basement, a 8-storey plus a basement shopping mall in Zhaojiabang Road	682	330
Basement, a 8-storey plus a basement shopping mall in Zhaojiabang Road	301	324
Level 2, a 8-storey plus a basement shopping mall in Zhaojiabang Road	1,066	230

We consider the above-said shopping mall is the most relevant, among the comparables available to us, to the Shanghai Premises in terms of usage and is just about 4 km from the Shanghai Premises. The building name is not disclosed because of internal data restricted by a confidential agreement to third party.

Traditionally, Level 1 achieved rent are usually higher than those on the basement and upper levels of a commercial building. Depending on the situation, basement level achieved rent would be lower than Level 1 but higher than Level 2 and upper levels. We have thus adjusted upwards 11% to the above-said Basement rent comparables and upwards 25% on Level 2 rent comparables to transform as Level 1 rent basis first.

Based on our independent adjustment on the rent comparables as mentioned above, we are of the view that our opinion of the market rent of the Shanghai Premise to be fair and reasonable.

The adjustments made to arrive at our valuation, include but not limited to, are as below:

Adjustments	Range
Location & Environment	-5%
Size	-20%
Floor Level	-10% to -70% based on Level 1

Based on the above-said adjusted Level 1 rent, floor level discount with downwards adjustment (the higher the level, more downwards adjustment based on Level 1 is applied) are then applied to arrive at market rent for each level of the Basement and upper levels of the Shanghai Premises. The overall average rent of the sum of each level is the concluded average market rent of the whole Shanghai Premises.

In arriving at the key assumptions, appropriate adjustments and analysis are considered to the differences in several aspects including but not limited to time, location and physical characteristics between the Shanghai Premises and the comparable properties. The general basis of adjustment is if the Shanghai Premises is better than the comparable properties, an upward adjustment is made. Alternatively, if the Shanghai Premises is inferior or less desirable than the comparable properties, a downward adjustment is made.

- (4) For reference purpose, we have also seen other properties leasing activities in the market on the basis of base rent plus turnover rent (a certain percentage of the turnover). The terms would vary depending on the commercial negotiations between the lessor and the lessee. The general range of percentage of the turnover is 5% to 15% (more or lesser % than the said range are also observed).

1. RESPONSIBILITY

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 Group. 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 contained herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests

As at the Latest Practicable Date, interest or short position in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) of the Directors and chief executive of the Company which were required to be 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 he was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares

Name of Director of the Company	Capacity/ Nature of interest	Total number of Shares interested as at the Latest Practicable Date	Approximate percentage of total issued share capital of the Company as at the Latest Practicable Date
Mr. Lau Luen Hung, Thomas	Beneficial owner	252,051,460	17.21%
	Interest of controlled corporations (<i>Note</i>)	844,988,832	57.70%
Ms. Chan Chor Ling, Amy	Beneficial owner	297,000	0.02%

Note:

The 844,988,832 shares comprise:

- (a) 540,000,000 shares held by United Goal Resources Limited (“**United Goal**”). United Goal is ultimately owned as to 80% by Mr. Lau Luen Hung, Thomas through his controlled corporations and as to 20% by certain family members of Mr. Lau Luen Hung, Joseph, the elder brother of Mr. Lau Luen Hung, Thomas. By virtue of the SFO, Mr. Lau Luen Hung, Thomas is deemed to be interested in the same parcel of shares in which United Goal is interested.

- (b) 304,988,832 shares held by Dynamic Castle Limited (“**Dynamic Castle**”), which is wholly owned by Mr. Lau Luen Hung, Thomas. By virtue of the SFO, Mr. Lau Luen Hung, Thomas is deemed to be interested in the same parcel of shares held by Dynamic Castle.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interests or short position in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be 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 he was taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

As at the Latest Practicable Date, none of the Directors was a director or employee of a company which has 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.

(b) Substantial Shareholders’ interests

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, persons (other than a Director or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Long positions/short positions in the Shares

Name of Shareholder	Long positions/ short positions	Capacity/ Nature of interests	Number of issued Shares held	Approximate percentage of the issued Share capital of the Company
United Goal	Long positions	Beneficial owner <i>(Note 3)</i>	540,000,000	36.87%
Asia Prime Assets Limited (“ Asia Prime ”)	Long positions	Interest of controlled corporation <i>(Notes 1 and 3)</i>	540,000,000	36.87%
Sand Cove Holdings Limited (“ Sand Cove ”)	Long positions	Interest of controlled corporation <i>(Notes 2 and 3)</i>	540,000,000	36.87%
Dynamic Castle	Long positions	Beneficial owner <i>(Note 3)</i>	304,988,832	20.83%

Note 1: Asia Prime, a company indirectly controlled by Mr. Lau Luen Hung, Thomas, holds 80% of the entire issued share capital of United Goal. By virtue of the SFO, Asia Prime is deemed to be interested in the same parcel of shares comprising 540,000,000 shares in which United Goal is interested as beneficial owner.

Note 2: Sand Cove, which is wholly owned and directly controlled by Mr. Lau Luen Hung, Thomas, is entitled to exercise or control the exercise of 100% voting power at general meetings of Asia Prime. By virtue of the SFO, Sand Cove is deemed to be interested in the same parcel of shares in which Asia Prime is deemed to be interested as set out in Note 1 above.

Note 3: Mr. Lau Luen Hung, Thomas is a director of United Goal and Sand Cove, and the sole director of Asia Prime and Dynamic Castle.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or 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 a service contract or a proposed service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective close associates had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

5. DIRECTORS' INTERESTS IN ASSETS OR CONTRACTS OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors (i) had any direct or indirect interest in any assets which had been, since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up, acquired by or disposed of or leased to any member of the Group, or were proposed to be acquired by or disposed of or leased to any member of the Group; or (ii) were materially interested in any contract or arrangement subsisting and which is significant in relation to the business of the Group.

6. LITIGATION

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no member of the Group was engaged in any litigation or claims of material importance nor was any litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

The Group has entered into the following contract (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the Latest Practicable Date which is or may be material:

- the entrusted loan agreement entered into by Shanghai Ongoing, the licensed bank and Shanghai Joinbuy City Plaza dated 23 June 2021 pursuant to which Shanghai Ongoing agreed to entrust the licensed bank to provide the entrusted loan(s) to Shanghai Joinbuy City Plaza, as detailed in the revised announcement of the Company dated 24 June 2021 and the supplemental announcement of the Company dated 28 June 2021

8. EXPERTS' QUALIFICATIONS AND CONSENTS

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

Name	Qualification
Cushman & Wakefield Limited	Independent property valuer
Veda Capital Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the above experts:

- (a) did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (b) did not have any direct or indirect interest in any assets which had been acquired by or disposed of or leased to any member of the Group or which were proposed to be acquired by or disposed of or leased to any member of the Group since 31 December 2021, being the date up to which the latest published audited consolidated financial statements of the Group were made up; and

- (c) had given and had not withdrawn its written consent to the issue of this circular with the inclusion of and references to its name and letter in the form and context in which they appear.

9. GENERAL

- (a) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company in Hong Kong is located at 20th Floor, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong.
- (c) The Company's Hong Kong branch share registrar and transfer office is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (d) The company secretary of the Company is Mr. Poon Fuk Chuen, who is an associate member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.
- (e) In the event of inconsistency, the English text of this circular and the form of proxy shall prevail over the Chinese text.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lifestylechina.com.hk) for a period of 14 days from the date of this circular:

- (i) the material contract referred to under the sub-section headed "7. Material Contracts" in this appendix;
- (ii) the letters of consent referred to under the sub-section headed "8. Experts' Qualifications and Consents" in this appendix;
- (iii) the New Shanghai Jiuguang Tenancy Agreement;
- (iv) the Existing Shanghai Jiuguang Tenancy Agreement; and
- (v) the valuation report prepared by Cushman & Wakefield Limited, the text of which is set out in Appendix II to this circular.

The following are the Proposed Amendments (as defined in the letter from the board in this circular). Unless otherwise specified, clauses, paragraphs and article numbers referred to herein are clauses, paragraphs and article numbers of the New Memorandum and Articles of Association. If the serial numbering of the clauses of the Memorandum and the Articles of Association is changed due to the addition, deletion or re-arrangement of certain clauses made in these amendments, the serial numbering of the clauses of the Memorandum and the Articles of Association as so amended shall be changed accordingly, including cross-references.

Note: The New Memorandum and Articles of Association is prepared in English with no official Chinese version. Chinese translation is for reference only. In the event of any inconsistency, the English version shall prevail.

- | | |
|------------|---|
| Clause No. | Provisions in the second amended and restated memorandum of association of the Company (only showing those provisions with changes to existing Memorandum) |
| 2. | The Registered Office of the Company shall be at the offices of Cedar Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO <u>PO</u> . Box 2681, Grand Cayman, KY1-1111, Cayman Islands. |
| 4. | Subject to the following provisions of this Memorandum, the Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit, as provided by Section 27(2) of the Companies Law <u>(Revised Act (as revised))</u> . |
| 8. | The share capital of the Company is HK\$20,000,000 divided into 4,000,000,000 shares of a nominal or par value of HK\$0.005 each, with the power for the Company, insofar as is permitted by law, to redeem or purchase any of its shares and to increase or reduce the said share capital subject to the provisions of the Companies Law <u>(Revised Act (as revised))</u> and the Articles of Association of the Company and to issue any part of its capital, whether original, redeemed or increased, with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions; and so that, unless the conditions of issue shall otherwise expressly declare, every issue of shares, whether declared to be preference or otherwise, shall be subject to the power hereinbefore contained. |
| 9. | The Company may exercise the power contained in the Companies Law <u>Act (as revised)</u> to deregister in the Cayman Islands and be registered by way of continuation in another jurisdiction. |

Clause No. Provisions in the second amended and restated articles of association of the Company (only showing those provisions with changes to the existing Articles of Association and where applicable the parts without changes in the following provisions are shown in "...")

1. The regulations in Table A in the Schedule to the Companies Law (Act (As Revised) do not apply to the Company.
2. (1) In these Articles, unless the context otherwise requires, the words standing in the first column of the following table shall bear the meaning set opposite them respectively in the second column.

<u>WORD</u>	<u>MEANING</u>
<u>“Act”</u>	<u>the Companies Act (2022 Revision), Cap. 22 of the Cayman Islands and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor.</u>
<u>“announcement”</u>	<u>an official publication of a Notice or document of the Company, including a publication, subject to and to such extent permitted by the Listing Rules, by electronic communication or by advertisement published in the newspapers or in such manner or means ascribed and permitted by the Listing Rules and applicable laws.</u>
<u>“business day”</u>	<u>shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day for the reason of a Number 8 or higher Typhoon Signal, Black Rainstorm Warning or other similar event, such day shall for the purposes of these Articles be counted as a business day.</u>
<u>“close associate”</u>	<u>in relation to any Director, shall have the same meaning as defined in the rules of the Designated Stock Exchange (“Listing Rules”) as modified from time to time, except that for purposes of Article 100 where the transaction or arrangement to be approved by the Board is a connected transaction referred to in the Listing Rules, it shall have the same meaning as that ascribed to “associate” in the Listing Rules.</u>
<u>“electronic communication”</u>	<u>a communication sent, transmitted, conveyed and received by wire, by radio, by optical means or by other similar means in any form through any medium.</u>
<u>“electronic meeting”</u>	<u>a general meeting held and conducted wholly and exclusively by virtual attendance and participation by Members and/or proxies by means of electronic facilities.</u>
<u>“Hong Kong”</u>	<u>the Hong Kong Special Administrative Region of the People’s Republic of China.</u>

“ <u>hybrid meeting</u> ”	a general meeting convened for the (i) physical attendance by Members and/or proxies at the Principal Meeting Place and where applicable, one or more Meeting Locations and (ii) virtual attendance and participation by Members and/or proxies by means of electronic facilities.
“ <u>Law</u> ”	The Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.
“ <u>Listing Rules</u> ”	the rules and regulations of the Designated Stock Exchange.
“ <u>Meeting Location</u> ”	has the meaning given to it in Article 64A.
“ <u>physical meeting</u> ”	a general meeting held and conducted by physical attendance and participation by Members and/or proxies at the Principal Meeting Place and/or where applicable, one or more Meeting Locations.
“ <u>Principal Meeting Place</u> ”	shall have the meaning given to it in Article 59(2).
“ <u>Statutes</u> ”	the Law Act and every other law of the Legislature of the Cayman Islands for the time being in force applying to or affecting the Company, its memorandum of association and/or these Articles.
“ Subsidiary and Holding Company ”	has the meanings attributed to them in the rules of the Designated Stock Exchange.
“substantial shareholder”	a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange Listing Rules from time to time) of the voting power at any general meeting of the Company.

(2) ...

(a) ...

(b) ...

(c) ...

(d) ...

(i) ...

(ii) ...

- (e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing or reproducing words or figures in a legible and non-transitory form or, to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations, any visible substitute for writing (including an electronic communication), or modes of representing or reproducing words partly in one visible form and partly in another visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or Notice and the Member's election comply with all applicable Statutes, rules and regulations;
- (f) ...
- (g) ...
- (h) references to a document (including, but without limitation, a resolution in writing) being signed or executed include references to it being signed or executed under hand or under seal or by electronic signature or by electronic communication or by any other method and references to a Notice or document include a Notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;
- (i) Section 8 and Section 19 of the Electronic Transactions ~~Law (2003)~~ Act of the Cayman Islands, as amended from time to time, shall not apply to these Articles to the extent it imposes obligations or requirements in addition to those set out in these Articles;
- (j) references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities;
- (k) a reference to a meeting: (a) shall mean a meeting convened and held in any manner permitted by these Articles and any Member or Director attending and participating at a meeting by means of electronic facilities shall be deemed to be present at that meeting for all purposes of the Statutes and these Articles, and attend, participate, attending, participating, attendance and participation shall be construed accordingly, and (b) shall, where the context is appropriate, include a meeting that has been postponed by the Board pursuant to Article 64E;

- (l) references to a person's participation in the business of a general meeting include without limitation and as relevant the right (including, in the case of a corporation, through a duly authorised representative) to speak or communicate, vote, be represented by a proxy and have access in hard copy or electronic form to all documents which are required by the Statutes or these Articles to be made available at the meeting, and participate and participating in the business of a general meeting shall be construed accordingly;
- (m) references to electronic facilities include, without limitation, website addresses, webinars, webcast, video or any form of conference call systems (telephone, video, web or otherwise); and
- (n) where a Member is a corporation, any reference in these Articles to a Member shall, where the context requires, refer to a duly authorised representative of such Member.
3. (1) ...
- (2) Subject to the ~~Law Act~~, the Company's Memorandum and Articles of Association and, where applicable, the Listing Rules and/or the rules and regulations of any Designated Stock Exchange and/or any competent regulatory authority, the Company shall have the power to purchase or otherwise acquire its own shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it in its absolute discretion thinks fit and any determination by the Board of the manner of purchase shall be deemed authorised by these Articles for purposes of the ~~Law Act~~. The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the ~~Law Act~~.
- (3) Subject to compliance with the Listing Rules and the rules and regulations of the Designated Stock Exchange and any other relevant competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.
- (4) The Board may accept the surrender for no consideration of any fully paid share.
- (45) No share shall be issued to bearer.
4. The Company may from time to time by ordinary resolution in accordance with the ~~Law Act~~ alter the conditions of its Memorandum of Association to:
- (a) ...
- (b) ...
- (c) ...

- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Company's Memorandum of Association (subject, nevertheless, to the LawAct), and may by such resolution determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred, deferred or other rights or be subject to any such restrictions as compared with the other or others as the Company has power to attach to unissued or new shares;
- (e) ...
6. The Company may from time to time by special resolution, subject to any confirmation or consent required by the LawAct, reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.
8. (1) Subject to the provisions of the LawAct and the Company's Memorandum and Articles of Association and to any special rights conferred on the holders of any shares or class of shares, any share in the Company (whether forming part of the present capital or not) may be issued with or have attached thereto such rights or restrictions whether in regard to dividend, voting, return of capital or otherwise as the Board may determine.
9. (2) Subject to the provisions of the LawAct, the ~~rules of any Designated Stock Exchange Listing Rules~~ and the Memorandum and Articles of Association of the Company, and to any special rights conferred on the holders of any shares or attaching to any class of shares, shares may be issued on the terms that they may be, or at the option of the Company or the holder are, liable to be redeemed on such terms and in such manner, including out of capital, as the Board may deem fit.
9. ~~Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.~~
10. Subject to the LawAct and without prejudice to Articles 8 and 9, all or any of the special rights for the time being attached to the shares or any class of shares may, unless otherwise provided by the terms of issue of the shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting all the provisions of these Articles relating to general meetings of the Company shall, *mutatis mutandis*, apply, but so that:
- (a) the necessary quorum (~~other than including~~ at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly ~~authorized~~ authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class ~~and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorized representative or by proxy (whatever the number of shares held by them) shall be a quorum; and~~
- (b) ...

12. (1) Subject to the ~~Law~~Act, these Articles, any direction that may be given by the Company in general meeting and, where applicable, the ~~rules of any Designated Stock Exchange Listing Rules~~ and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, the unissued shares of the Company (whether forming part of the original or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may in its absolute discretion determine but so that no shares shall be issued at a discount ~~to their nominal value~~. Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to Members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of ~~members~~Members for any purpose whatsoever.
- (2) ...
13. The Company may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by the ~~Law~~Act. Subject to the ~~Law~~Act, the commission may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one and partly in the other.
15. Subject to the ~~Law~~Act and these Articles, the Board may at any time after the allotment of shares but before any person has been entered in the Register as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Board considers fit to impose.
16. Every share certificate shall be issued under the Seal or a facsimile thereof or with the Seal printed thereon and shall specify the number and class and distinguishing numbers (if any) of the shares to which it relates, and the amount paid up thereon and may otherwise be in such form as the Directors may from time to time determine. The seal of the Company may only be affixed or imprinted to a share certificate with the authority of the Directors, or be executed under the signature of appropriate officials with statutory authority, unless otherwise determined by the Directors. No certificate shall be issued representing shares of more than one class. The Board may by resolution determine, either generally or in any particular case or cases, that any signatures on any such certificates (or certificates in respect of other securities) need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon.
17. (1) ...
- (2) Where a share stands in the names of two or more persons, the person first named in the Register shall as regards service of ~~notices~~Notices and, subject to the provisions of these Articles, all or any other matters connected with the Company, except the transfer of the shares, be deemed the sole holder thereof.

19. Share certificates shall be issued within the relevant time limit as prescribed by the ~~Law~~Act or as the Designated Stock Exchange may from time to time determine, whichever is the shorter, after allotment or, except in the case of a transfer which the Company is for the time being entitled to refuse to register and does not register, after lodgment of a transfer with the Company.
22. The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share. The Company shall also have a first and paramount lien on every share (not being a fully paid share) registered in the name of a Member (whether or not jointly with other Members) for all amounts of money presently payable by such Member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such ~~member~~Member, and whether the period for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Member or his estate and any other person, whether a Member or not. The Company's lien on a share shall extend to all dividends or other moneys payable thereon or in respect thereof. The Board may at any time, generally or in any particular case, waive any lien that has arisen or declare any share exempt in whole or in part, from the provisions of this Article.
23. Subject to these Articles, the Company may sell in such manner as the Board determines any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, or the liability or engagement in respect of which such lien exists is liable to be presently fulfilled or discharged nor until the expiration of fourteen (14) clear days after a ~~notice~~Notice in writing, stating and demanding payment of the sum presently payable, or specifying the liability or engagement and demanding fulfilment or discharge thereof and giving ~~notice~~Notice of the intention to sell in default, has been served on the registered holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
25. Subject to these Articles and to the terms of allotment, the Board may from time to time make calls upon the Members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares or by way of premium), and each Member shall (subject to being given at least fourteen (14) clear days' Notice specifying the time and place of payment) pay to the Company as required by such ~~notice~~Notice the amount called on his shares. A call may be extended, postponed or revoked in whole or in part as the Board determines but no Member shall be entitled to any such extension, postponement or revocation except as a matter of grace and favour.
35. When any share has been forfeited, ~~notice~~Notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share. No forfeiture shall be invalidated by any omission or neglect to give such Notice.

44. The Register and branch register of Members maintained in Hong Kong, as the case may be, shall be open to inspection for at least two (2) hours during business hours by Members without charge or by any other person, upon a maximum payment of \$2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the ~~Law~~ Act or, if appropriate, upon a maximum payment of \$1.00 or such lesser sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.
45. Subject to the ~~rules of any Designated Stock Exchange~~ Listing Rules, notwithstanding any other provision of these Articles the Company or the Directors may fix any date as the record date for:
- (a) ~~determining the Members entitled to receive any dividend, distribution, allotment or issue and such record date may be on, or at any time not more than thirty (30) days before or after, any date on which such dividend, distribution, allotment or issue is declared, paid or made;~~
 - (b) determining the Members entitled to receive ~~notice~~ Notice of and to vote at any general meeting of the Company.
46. (1) Subject to these Articles, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.
- (2) Notwithstanding the provisions of subparagraph (1) above, for so long as any shares are listed on the Designated Stock Exchange, titles to such listed shares may be evidenced and transferred in accordance with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares. The register of members of the Company in respect of its listed shares (whether the Register or a branch register) may be kept by recording the particulars required by Section 40 of the Act in a form otherwise than legible if such recording otherwise complies with the laws applicable to and the Listing Rules that are or shall be applicable to such listed shares.
48.
 - (1) ...
 - (2) ...
 - (3) ...

(4) Unless the Board otherwise agrees (which agreement may be on such terms and subject to such conditions as the Board in its absolute discretion may from time to time determine, and which agreement the Board shall, without giving any reason therefor, be entitled in its absolute discretion to give or withhold), no shares upon the Register shall be transferred to any branch register nor shall shares on any branch register be transferred to the Register or any other branch register and all transfers and other documents of title shall be lodged for registration, and registered, in the case of any shares on a branch register, at the relevant Registration Office, and, in the case of any shares on the Register, at the Office or such other place at which the Register is kept in accordance with the ~~Law~~Act.

49. ...

(a) ...

(b) ...

(c) the instrument of transfer is lodged at the Office or such other place at which the Register is kept in accordance with the ~~Law~~Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and

(d) ...

51. The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in any newspapers or by any other means in accordance with the requirements of any Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.

55. (1) ...

(2) ...

(a) ...

(b) ...

- (c) the Company, if so required by the ~~rules governing the listing of shares on the Designated Stock Exchange~~ Listing Rules, has given notice of its intention to sell such shares to, and caused advertisement ~~in newspapers~~ both in daily newspaper and in a newspaper circulating in the area of the last known address of such Member or any person entitled to the share under Article 54 and where applicable, in each case in accordance with the requirements of, the Designated Stock Exchange to be made of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

...

- (3) ...

56. An annual general meeting of the Company shall be held ~~in~~ for each financial year other than the financial year of the Company's adoption of these Articles ~~and such annual general meeting must be held within a period of not more than fifteen (15) months after the holding end of the last preceding annual general meeting or not more than eighteen (18) months after the date of adoption of these Articles,~~ Company's financial year (unless a longer period would not infringe the rules of the Designated Stock Exchange Listing Rules, if any) at such time and place as may be determined by the Board.
57. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting. ~~General~~ All general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) may be held as a physical meeting in any part of the world and at one or more locations as provided in Article 64A, as a hybrid meeting or as an electronic meeting, as may be determined by the Board in its absolute discretion.
58. The Board may whenever it thinks fit call extraordinary general meetings. Any one or more ~~Members~~ Member(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company, on a one vote per share basis, shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business or resolution specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may ~~do so in the same manner~~ convene a physical meeting at only one location which will be the Principal Meeting Place, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.
59. (1) An annual general meeting must be called by Notice of not less than twenty-one (21) clear days ~~and not less than twenty (20) clear business days.~~ All other general meetings (including an extraordinary general meeting) must be called by Notice of not less than fourteen (14) clear days ~~and not less than ten (10) clear business days~~ but if permitted by the ~~rules of the Designated Stock Exchange~~ Listing Rules, a general meeting may be called by shorter notice, ~~subject to the Law~~, if it is so agreed:
- (a) ...
- (b) ...

(2) The ~~notice~~Notice shall specify (a) the time and date of the meeting, (b) save for an electronic meeting, the place of the meeting and if there is more than one meeting location as determined by the Board pursuant to Article 64A, the principal place of the meeting (the “Principal Meeting Place”), (c) if the general meeting is to be a hybrid meeting or an electronic meeting, the Notice shall include a statement to that effect and with details of the electronic facilities for attendance and participation by electronic means at the meeting or where such details will be made available by the Company prior to the meeting, and (d) particulars of resolutions to be considered at the meeting and, ~~in case of special business, the general nature of the business.~~ The ~~notice~~Notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all Members other than to such Members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such noticesNotices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a Member and to each of the Directors and the Auditors.

61.

- (1) ...
 - (a) ...
 - (b) ...
 - (c) ...
 - (d) appointment of Auditors (where special notice of the intention for such appointment is not required by the ~~Law~~Act) and other officers;
 - (e) ...
 - (f) ...
 - (g) ...
- (2) No business other than the appointment of a chairman of a meeting shall be transacted at any general meeting unless a quorum is present at the commencement of the business. Two (2) Members entitled to vote and present in person or by proxy or ~~(in, for quorum purposes only, two persons appointed by the ease of a Member being a corporation) by its duly~~clearing house as authorised representative or proxy shall form a quorum for all purposes.

62.

If within thirty (30) minutes (or such longer time not exceeding one hour as the chairman of the meeting may determine to wait) after the time appointed for the meeting a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and (where applicable) same place(s) or to such time and (where applicable) such place(s) and in such form and manner referred to in Article 57 as the chairman of the meeting (or in default, the Board) may absolutely determine. If at such adjourned meeting a quorum is not present within half an hour from the time appointed for holding the meeting, the meeting shall be dissolved.

63. (1) The chairman of the Company or if there is more than one chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman at every general meeting. If at any meeting the no chairman, is not present within fifteen (15) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the deputy chairman of the Company or if there is more than one deputy chairman, any one of them as may be agreed amongst themselves or failing such agreement, any one of them elected by all the Directors present shall preside as chairman. If no chairman or deputy chairman is present or is willing to act as chairman of the meeting, the Directors present shall choose one of their number to act, or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, or if the chairman chosen shall retire from the chair, the Members present in person or (in the case of a Member being a corporation) by its duly authorised representative or by proxy and entitled to vote shall elect one of their number to be chairman of the meeting.
- (2) If the chairman of a general meeting is participating in the general meeting using an electronic facility or facilities and becomes unable to participate in the general meeting using such electronic facility or facilities, another person (determined in accordance with Article 63(1) above) shall preside as chairman of the meeting unless and until the original chairman of the meeting is able to participate in the general meeting using the electronic facility or facilities.
64. ~~The~~ Subject to Article 64C, the chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (or indefinitely) and/or from place to place(s) and/or from one form to another (a physical meeting, a hybrid meeting or an electronic meeting) as the meeting shall determine, but no business shall be transacted at any adjourned meeting other than the business which might lawfully have been transacted at the meeting had the adjournment not taken place. When a meeting is adjourned for fourteen (14) days or more, at least seven (7) clear days' notice ~~Notice~~ of the adjourned meeting shall be given specifying the time and place of the adjourned meeting ~~details set out in Article 59(2) but it shall not be necessary to specify in such notice~~ Notice ~~the nature of the business to be transacted at the adjourned meeting and the general nature of the business to be transacted. Save as aforesaid, it shall be unnecessary to give notice~~ Notice ~~of an adjournment.~~
- 64A. (1) The Board may, at its absolute discretion, arrange for persons entitled to attend a general meeting to do so by simultaneous attendance and participation by means of electronic facilities at such location or locations ("Meeting Location(s)") determined by the Board at its absolute discretion. Any Member or any proxy attending and participating in such way or any Member or proxy attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities is deemed to be present at and shall be counted in the quorum of the meeting.
- (2) All general meetings are subject to the following and, where appropriate, all references to a "Member" or "Members" in this sub-paragraph (2) shall include a proxy or proxies respectively:
- (a) where a Member is attending a Meeting Location and/or in the case of a hybrid meeting, the meeting shall be treated as having commenced if it has commenced at the Principal Meeting Place;

- (b) Members present in person or by proxy at a Meeting Location and/or Members attending and participating in an electronic meeting or a hybrid meeting by means of electronic facilities shall be counted in the quorum for and entitled to vote at the meeting in question, and that meeting shall be duly constituted and its proceedings valid provided that the chairman of the meeting is satisfied that adequate electronic facilities are available throughout the meeting to ensure that Members at all Meeting Locations and Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities are able to participate in the business for which the meeting has been convened;
- (c) where Members attend a meeting by being present at one of the Meeting Locations and/or where Members participating in an electronic meeting or a hybrid meeting by means of electronic facilities, a failure (for any reason) of the electronic facilities or communication equipment, or any other failure in the arrangements for enabling those in a Meeting Location other than the Principal Meeting Place to participate in the business for which the meeting has been convened or in the case of an electronic meeting or a hybrid meeting, the inability of one or more Members or proxies to access, or continue to access, the electronic facilities despite adequate electronic facilities having been made available by the Company, shall not affect the validity of the meeting or the resolutions passed, or any business conducted thereat or any action taken pursuant to such business provided that there is a quorum present throughout the meeting; and
- (d) if any of the Meeting Locations is not in the same jurisdiction as the Principal Meeting Place and/or in the case of a hybrid meeting, the provisions of these Articles concerning the service and giving of Notice for the meeting, and the time for lodging proxies, shall apply by reference to the Principal Meeting Place; and in the case of an electronic meeting, the time for lodging proxies shall be as stated in the Notice for the meeting.

64B. The Board and, at any general meeting, the chairman of the meeting may from time to time make arrangements for managing attendance and/or participation and/or voting at the Principal Meeting Place, any Meeting Location(s) and/or participation in an electronic meeting or a hybrid meeting by means of electronic facilities (whether involving the issue of tickets or some other means of identification, passcode, seat reservation, electronic voting or otherwise) as it shall in its absolute discretion consider appropriate, and may from time to time change any such arrangements, provided that a Member who, pursuant to such arrangements, is not entitled to attend, in person or by proxy, at any Meeting Location shall be entitled so to attend at one of the other Meeting Locations; and the entitlement of any Member so to attend the meeting or adjourned meeting or postponed meeting at such Meeting Location or Meeting Locations shall be subject to any such arrangement as may be for the time being in force and by the Notice of meeting or adjourned meeting or postponed meeting stated to apply to the meeting.

64C. If it appears to the chairman of the general meeting that:

- (a) the electronic facilities at the Principal Meeting Place or at such other Meeting Location(s) at which the meeting may be attended have become inadequate for the purposes referred to in Article 64A(1) or are otherwise not sufficient to allow the meeting to be conducted substantially in accordance with the provisions set out in the Notice of the meeting; or

- (b) in the case of an electronic meeting or a hybrid meeting, electronic facilities being made available by the Company have become inadequate; or
- (c) it is not possible to ascertain the view of those present or to give all persons entitled to do so a reasonable opportunity to communicate and/or vote at the meeting; or
- (d) there is violence or the threat of violence, unruly behaviour or other disruption occurring at the meeting or it is not possible to secure the proper and orderly conduct of the meeting;

then, without prejudice to any other power which the chairman of the meeting may have under these Articles or at common law, the chairman may, at his/her absolute discretion, without the consent of the meeting, and before or after the meeting has started and irrespective of whether a quorum is present, interrupt or adjourn the meeting (including adjournment for indefinite period). All business conducted at the meeting up to the time of such adjournment shall be valid.

64D. The Board and, at any general meeting, the chairman of the meeting may make any arrangement and impose any requirement or restriction the Board or the chairman of the meeting, as the case may be, considers appropriate to ensure the security and orderly conduct of a meeting (including, without limitation, requirements for evidence of identity to be produced by those attending the meeting, the searching of their personal property and the restriction of items that may be taken into the meeting place, determining the number and frequency of and the time allowed for questions that may be raised at a meeting). Members shall also comply with all requirements or restrictions imposed by the owner of the premises at which the meeting is held. Any decision made under this Article shall be final and conclusive and a person who refuses to comply with any such arrangements, requirements or restrictions may be refused entry to the meeting or ejected (physically or electronically) from the meeting.

64E. If, after the sending of Notice of a general meeting but before the meeting is held, or after the adjournment of a meeting but before the adjourned meeting is held (whether or not Notice of the adjourned meeting is required), the Directors, in their absolute discretion, consider that it is inappropriate, impracticable, unreasonable or undesirable for any reason to hold the general meeting on the date or at the time or place or by means of electronic facilities specified in the Notice calling the meeting, they may change or postpone the meeting to another date, time and/or place and/or change the electronic facilities and/or change the form of the meeting (a physical meeting, an electronic meeting or a hybrid meeting) without approval from the Members. Without prejudice to the generality of the foregoing, the Directors shall have the power to provide in every Notice calling a general meeting the circumstances in which a postponement of the relevant general meeting may occur automatically without further notice, including without limitation where a number 8 or higher typhoon signal, black rainstorm warning or other similar event is in force at any time on the day of the meeting. This Article shall be subject to the following:

- (a) when a meeting is so postponed, the Company shall endeavour to post a Notice of such postponement on the Company's website as soon as practicable (provided that failure to post such a Notice shall not affect the automatic postponement of a meeting);
- (b) when only the form of the meeting or electronic facilities specified in the Notice are changed, the Board shall notify the Members of details of such change in such manner as the Board may determine;

- (c) when a meeting is postponed or changed in accordance with this Article, subject to and without prejudice to Article 64, unless already specified in the original Notice of the meeting, the Board shall fix the date, time, place (if applicable) and electronic facilities (if applicable) for the postponed or changed meeting and shall notify the Members of such details in such manner as the Board may determine; further all proxy forms shall be valid (unless revoked or replaced by a new proxy) if they are received as required by these Articles not less than 48 hours before the time of the postponed meeting; and
- (d) Notice of the business to be transacted at the postponed or changed meeting shall not be required, nor shall any accompanying documents be required to be recirculated, provided that the business to be transacted at the postponed or changed meeting is the same as that set out in the original Notice of general meeting circulated to the Members.
- 64F. All persons seeking to attend and participate in an electronic meeting or a hybrid meeting shall be responsible for maintaining adequate facilities to enable them to do so. Subject to Article 64C, any inability of a person or persons to attend or participate in a general meeting by way of electronic facilities shall not invalidate the proceedings of and/or resolutions passed at that meeting.
- 64G. Without prejudice to other provisions in Article 64, a physical meeting may also be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.
66. (1) Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a poll every Member present in person or by proxy ~~or, in the case of a Member being a corporation, by its duly authorised representative~~ shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that in the case of a physical meeting, the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Members a reasonable opportunity to express their views. Votes (whether on a show of hands or by way of poll) may be cast by such means, electronic or otherwise, as the Directors or the chairman of the meeting may determine.

- (2) ~~Where~~ In the case of a physical meeting where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
- (a) by at least three Members present in person or ~~in the case of a Member being a corporation by its duly authorised representative~~ or by proxy for the time being entitled to vote at the meeting; or
 - (b) by a Member or Members present in person ~~or in the case of a Member being a corporation by its duly authorised representative~~ or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
 - (c) by a Member or Members present in person ~~or in the case of a Member being a corporation by its duly authorised representative~~ or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A demand by a person as proxy for a Member ~~or in the case of a Member being a corporation by its duly authorised representative~~ shall be deemed to be the same as a demand by the Member.

67. Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the ~~rules of the Designated Stock Exchange~~ Listing Rules.
70. All questions submitted to a meeting shall be decided by a simple majority of votes except where a greater majority is required by these Articles or by the Law Act. In the case of an equality of votes, the chairman of such meeting shall be entitled to a second or casting vote in addition to any other vote he may have.
72. (1) A Member who is a patient for any purpose relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, by his receiver, committee, *curator bonis* or other person in the nature of a receiver, committee or *curator bonis* appointed by such court, and such receiver, committee, *curator bonis* or other person may vote by proxy, and may otherwise act and be treated as if he were the registered holder of such shares for the purposes of general meetings, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office, head office or Registration Office, as appropriate, not less than forty-eight (48) hours before the time appointed for holding the meeting, or adjourned meeting, or postponed meeting, as the case may be.

- (2) Any person entitled under Article 53 to be registered as the holder of any shares may vote at any general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight (48) hours at least before the time of the holding of the meeting or adjourned meeting or postponed meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his entitlement to such shares, or the Board shall have previously admitted his right to vote at such meeting in respect thereof.

73.

- (1) ...
- (2) All members shall have the right to (a) speak at a general meeting; and (b) vote at a general meeting except where a Member is required, by the Listing Rules, to abstain from voting to approve the matter under consideration.
- (23) Where the Company has knowledge that any Member is, under the ~~rules of the Designated Stock Exchange~~ Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.

74.

- ...
- (a) ...
- (b) ...
- (c) ...

the objection or error shall not vitiate the decision of the meeting or adjourned meeting or postponed meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting or postponed meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

75.

Any Member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a Member. In addition, a proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise as if such Member was present at such meeting of the Company.

- 77.
- (1) The Company may, at its absolute discretion, provide an electronic address for the receipt of any document or information relating to proxies for a general meeting (including any instrument of proxy or invitation to appoint a proxy, any document necessary to show the validity of, or otherwise relating to, an appointment of proxy (whether or not required under these Articles) and notice of termination of the authority of a proxy). If such an electronic address is provided, the Company shall be deemed to have agreed that any such document or information (relating to proxies as aforesaid) may be sent by electronic means to that address, subject as hereafter provided and subject to any other limitations or conditions specified by the Company when providing the address. Without limitation, the Company may from time to time determine that any such electronic address may be used generally for such matters or specifically for particular meetings or purposes and, if so, the Company may provide different electronic addresses for different purposes. The Company may also impose any conditions on the transmission of and its receipt of such electronic communications including, for the avoidance of doubt, imposing any security or encryption arrangements as may be specified by the Company. If any document or information required to be sent to the Company under this Article is sent to the Company by electronic means, such document or information is not treated as validly delivered to or deposited with the Company if the same is not received by the Company at its designated electronic address provided in accordance with this Article or if no electronic address is so designated by the Company for the receipt of such document or information.
 - (2) The instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the ~~notice~~ Notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate), or if the Company has provided an electronic address in accordance with the preceding paragraph, shall be received at the electronic address specified, not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting or postponed meeting at which the person named in the instrument proposes to vote. No instrument appointing a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or postponed meeting in cases where the meeting was originally held within twelve (12) months from such date. Delivery of an instrument appointing a proxy shall not preclude a Member from attending and voting ~~in person~~ at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

78. Instruments of proxy shall be in any common form or in such other form as the Board may approve (provided that this shall not preclude the use of the two-way form) and the Board may, if it thinks fit, send out with the ~~notice~~Notice of any meeting forms of instrument of proxy for use at the meeting. The instrument of proxy shall be deemed to confer authority to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall, unless the contrary is stated therein, be valid as well for any adjournment ~~of the meeting as for the meeting to which it relates~~or postponement of the meeting as for the meeting to which it relates. The Board may decide, either generally or in any particular case, to treat a proxy appointment as valid notwithstanding that the appointment or any of the information required under these Articles has not been received in accordance with the requirements of these Articles. Subject to aforesaid, if the proxy appointment and any of the information required under these Articles is not received in the manner set out in these Articles, the appointee shall not be entitled to vote in respect of the shares in question.
79. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place as may be specified for the delivery of instruments of proxy in the ~~notice~~Notice convening the meeting or other document sent therewith) two (2) hours at least before the commencement of the meeting or adjourned meeting or postponed meeting, at which the instrument of proxy is used.
81. (1) ...
- (2) If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including the right to speak and to vote and, where a show of hands is allowed, the right to vote individually on a show of hands.
- (3) ...
82. A resolution in writing signed (in such manner as to indicate, expressly or impliedly, unconditional approval) by or on behalf of all persons for the time being entitled to receive ~~notice~~Notice of and to attend and vote at general meetings of the Company shall, for the purposes of these Articles, be treated as a resolution duly passed at a general meeting of the Company and, where relevant, as a special resolution so passed. Any such resolution shall be deemed to have been passed at a meeting held on the date on which it was signed by the last Member to sign, and where the resolution states a date as being the date of his signature thereof by any Member the statement shall be prima facie evidence that it was signed by him on that date. Such a resolution may consist of several documents in the like form, each signed by one or more relevant Members.

83. (1) ...
- (2) Subject to the Articles and the ~~Law~~Act, the Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy on the Board, or as an addition to the existing Board.
- (3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following first annual general meeting of the Company after his appointment and shall then be eligible for re-election.
- (4) Neither a Director nor an alternate Director shall be required to hold any shares of the Company by way of qualification and a Director or alternate Director (as the case may be) who is not a Member shall be entitled to receive ~~notice~~Notice of and to attend and speak at any general meeting of the Company and of all classes of shares of the Company.
- (5) The Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director (including a managing or other executive Director) at any time before the expiration of his ~~period~~term of office notwithstanding anything to the contrary in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).
- (6) A vacancy on the Board created by the removal of a Director under the provisions of subparagraph (5) above may be filled by the election or appointment by ordinary resolution of the Members at the meeting at which such Director is removed.
- (7) ...
85. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that ~~the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that (if the Notices are submitted after the despatch of the notice of the general meeting appointed for such election) the period for lodgment of such Notice(s) shall commence~~such Notices must be lodged with the Company within the seven-day period commencing on and including the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting (or, subject to the Listing Rules, such other period as may be determined by the Directors from time to time).

86. ...
- (1) ...

- (2) ...
- (3) without special leave of absence from the Board, is absent from meetings of the Board for six (6) consecutive months, and his alternate Director, if any, shall not during such period have attended in his stead and the Board resolves that his office be vacated;
- (4) ...
- (5) ...
- (6) ...

90. An alternate Director shall only be a Director for the purposes of the ~~Law~~Act and shall only be subject to the provisions of the ~~Law~~Act insofar as they relate to the duties and obligations of a Director when performing the functions of the Director for whom he is appointed in the alternative and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for the Director appointing him. An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified by the Company to the same extent *mutatis mutandis* as if he were a Director but he shall not be entitled to receive from the Company any fee in his capacity as an alternate Director except only such part, if any, of the remuneration otherwise payable to his appointor as such appointor may by Notice to the Company from time to time direct.

97. ...

- (a) ...
- (b) ...
- (c) continue to be or become a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of any other company promoted by the Company or in which the Company may be interested as a vendor, shareholder or otherwise and (unless otherwise agreed) no such Director shall be accountable for any remuneration, profits or other benefits received by him as a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer or member of or from his interests in any such other company. Subject as otherwise provided by these Articles the Directors may exercise or cause to be exercised the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as Directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them as directors, managing directors, joint managing directors, deputy managing directors, executive directors, managers or other officers of such company) or voting or providing for the payment of remuneration to the director, managing director, joint managing director, deputy managing director, executive director, manager or other officers of such other company and any Director may vote in favour of the exercise of such voting rights in manner aforesaid notwithstanding that he may be, or about to be, appointed a director, managing director, joint managing director, deputy managing director, executive director, manager or other officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.

98. Subject to the ~~Law Act~~ and to these Articles, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest in any contract or arrangement in which he is interested in accordance with Article 99 herein.
100. (1) ...
- (i) ~~any contract or arrangement for the giving of~~ any security or indemnity either:
- (a) ~~to such~~ the Director or his close associate(s) any security or indemnity in respect of money lent ~~by him or any of his close associate(s) or obligations incurred or undertaken by him or any of his close associate(s) them~~ at the request of or for the benefit of the Company or any of its subsidiaries; or
- (b) ~~(ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has himself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;~~
- (~~iii~~) ~~any contract or arrangement~~ proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iii) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
- (a) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit; or
- (b) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associate(s) and employee(s) of the Company or any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates;
- (iv) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company; ~~or.~~

~~(v) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors or his close associate(s) and to employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his close associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.~~

(2) ...

101. (1) ...

(2) ...

(3) ...

(a) ...

(b) ...

(c) to resolve that the Company be deregistered in the Cayman Islands and continued in a named jurisdiction outside the Cayman Islands subject to the provisions of the LawAct.

(4) ...

...

107. The Board may exercise all the powers of the Company to raise or borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the LawAct, to issue debentures, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

110. (1) ...

(2) The Board shall cause a proper register to be kept, in accordance with the provisions of the LawAct, of all charges specifically affecting the property of the Company and of any series of debentures issued by the Company and shall duly comply with the requirements of the LawAct in regard to the registration of charges and debentures therein specified and otherwise.

111. The Board may meet for the despatch of business, adjourn or postpone and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote.

112. A meeting of the Board may be convened by the Secretary on request of a Director or by any Director. The Secretary shall convene a meeting of the Board ~~whenever he shall be required so to do by any Director.~~ Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to such Director in writing or verbally (including in person or by telephone) or ~~via~~ by electronic mail means to an electronic address from time to time notified to the Company by such Director or (if the recipient consents to it being made available on a website) by making it available on a website or by telephone or in such other manner as the Board may from time to time determine ~~whenever he shall be required so to do by any Director.~~
113. (1) ...
- (2) Directors may participate in any meeting of the Board by means of a conference telephone, electronic or other communications equipment through which all persons participating in the meeting can communicate with each other simultaneously and instantaneously and, for the purpose of counting a quorum, such participation shall constitute presence at a meeting as if those participating were present in person.
- (3) ...
115. The Board may elect ~~one or more~~ chairman and one or more deputy chairman of its meetings and determine the period for which they are respectively to hold such office. If no chairman or deputy chairman is elected, or if at any meeting ~~neither the~~ no chairman ~~nor~~ any or deputy chairman is present within five (5) minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.
119. A resolution in writing signed by all the Directors except such as are temporarily unable to act through ill-health or disability, and all the alternate Directors, if appropriate, whose appointors are temporarily unable to act as aforesaid shall (provided that such number is sufficient to constitute a quorum and further provided that a copy of such resolution has been given or the contents thereof communicated to all the Directors for the time being entitled to receive notices of Board meetings in the same manner as notices of meetings are required to be given by these Articles) be as valid and effectual as if a resolution had been passed at a meeting of the Board duly convened and held. A notification of consent to such resolution given by a Director in writing to the Board by any means (including by means of electronic communication) shall be deemed to be his/her signature to such resolution in writing for the purpose of this Article. Such resolution may be contained in one document or in several documents in like form each signed by one or more of the Directors or alternate Directors and for this purpose a facsimile signature of a Director or an alternate Director shall be treated as valid. Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.
124. (1) The officers of the Company shall consist of ~~at least one~~ chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the ~~Law~~ Act and these Articles.

- (2) The Directors shall, as soon as may be after each appointment or election of Directors, elect amongst the Directors a chairman and if more than one (1) Director is proposed for this office, the ~~election to such office shall take place~~ Directors may elect more than one chairman in such manner as the Directors may determine.
 - (3) ...
125. (1) ...
- (2) The Secretary shall attend all meetings of the Members and shall keep correct minutes of such meetings and enter the same in the proper books provided for the purpose. He shall perform such other duties as are prescribed by the ~~Law Act~~ or these Articles or as may be prescribed by the Board.
127. A provision of the ~~Law Act~~ or of these Articles requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as or in place of the Secretary.
128. The Company shall cause to be kept in one or more books at its Office a Register of Directors and Officers in which there shall be entered the full names and addresses of the Directors and Officers and such other particulars as required by the ~~Law Act~~ or as the Directors may determine. The Company shall send to the Registrar of Companies in the Cayman Islands a copy of such register, and shall from time to time notify to the said Registrar of any change that takes place in relation to such Directors and Officers as required by the ~~Law Act~~.
129. (1) ...
- (a) ...
 - (b) of the names of the Directors present at each meeting of the Directors and of any committee of the Directors; and
 - (c) ...
- (2) ...
132. (1) ...
- (a) ...
 - (b) any dividend mandate or any variation or cancellation thereof or any notification of change of name or address at any time after the expiry of two (2) years from the date such mandate, variation, cancellation or notification was recorded by the Company;
 - (c) ...
 - (d) ...
 - (e) ...
 - ...
- (2) ...

133. Subject to the ~~LawAct~~, the Company in general meeting may from time to time declare dividends in any currency to be paid to the Members but no dividend shall be declared in excess of the amount recommended by the Board.
134. Dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the Directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the ~~LawAct~~.
143. (1) The Board shall establish an account to be called the share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share in the Company. Unless otherwise provided by the provisions of these Articles, the Board may apply the share premium account in any manner permitted by the ~~LawAct~~. The Company shall at all times comply with the provisions of the ~~LawAct~~ in relation to the share premium account.
- (2) ...
144. (1) The Company may, upon the recommendation of the Board, at any time and from time to time pass an ordinary resolution to the effect that it is desirable to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and capital redemption reserve and the profit and loss account) whether or not the same is available for distribution and accordingly that such amount be set free for distribution among the Members or any class of Members who would be entitled thereto if it were distributed by way of dividend and in the same proportions, on the footing that the same is not paid in cash but is applied either in or towards paying up the amounts for the time being unpaid on any shares in the Company held by such Members respectively or in paying up in full unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid up among such Members, or partly in one way and partly in the other, and the Board shall give effect to such resolution provided that, for the purposes of this Article, a share premium account and any capital redemption reserve or fund representing unrealised profits, may be applied only in paying up in full unissued shares of the Company to be allotted to such Members credited as fully paid.

(2) Notwithstanding any provisions in these Articles, the Board may resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund (including a share premium account and the profit and loss account) whether or not the same is available for distribution by applying such sum in paying up unissued shares to be allotted to (i) employees (including directors) of the Company and/or its affiliates (meaning any individual, corporation, partnership, association, joint-stock company, trust, unincorporated association or other entity (other than the Company) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, the Company) upon exercise or vesting of any options or awards granted under any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting, or (ii) any trustee of any trust to whom shares are to be allotted and issued by the Company in connection with the operation of any share incentive scheme or employee benefit scheme or other arrangement which relates to such persons that has been adopted or approved by the Members at a general meeting.

146. The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the ~~Law~~Act:

- (1) ...
 - (a) ...
 - (b) ...
 - (c) ...
 - (i) ...
 - (ii) ...
 - (d) ...
- (2) ...
- (3) ...
- (4) ...

147. The Board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the ~~Law~~Act or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

149. Subject to Article 150, a printed copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the annual general meeting and ~~at the same time as the notice of annual general meeting and~~ laid before the Company at the annual general meeting held in accordance with Article 56 provided that this Article shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.
150. Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the Designated Stock Exchange~~ Listing Rules, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 149 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company's annual accounts and the directors' report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.
151. The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the ~~rules of the Designated Stock Exchange~~ Listing Rules, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.
152. (1) At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall by ordinary resolution appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the next annual general meeting. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.
- (2) The Members may, at any general meeting convened and held in accordance with these Articles, by ~~special~~ ordinary resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.
153. Subject to the ~~Law~~ Act the accounts of the Company shall be audited at least once in every year.
154. The remuneration of the Auditor shall be fixed by ~~the Company in an ordinary resolution~~ passed at a general meeting or in such manner as the Members may by ordinary resolution determine.

155. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed. The Directors may fill any casual vacancy in the office of Auditor but while any such vacancy continues the surviving or continuing Auditor or Auditors, if any, may act. The remuneration of any Auditor appointed by the Directors under this Article may be fixed by the Board. Subject to Article 152(2), an Auditor appointed under this Article shall hold office until the next following annual general meeting of the Company and shall then be subject to appointment by the Members under Article 152(1) at such remuneration to be determined by the Members under Article 154.
158. (1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange Listing Rules), whether or not, to be given or issued under these Articles ~~from~~ by the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be ~~delivered~~ served given or ~~issued~~ delivered by the Company on or to any Member either following means:
- (a) by serving it personally ~~or~~ on the relevant person;
 - (b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;
 - (c) by delivering or, as the case may be, by transmitting leaving it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by as aforesaid;
 - (d) by placing an advertisement in appropriate newspapers or other publication and where applicable, in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws;
 - (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article 158(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
 - (f) by ~~placing~~ publishing it on the website of the Designated Stock Exchange or the Company’s website or the website of the Designated Stock Exchange, and ~~giving~~ to which the relevant person may have access, subject to the ~~member a notice~~ Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such person stating that the notice ~~or other~~ document or publication is available there (a “notice of availability”); or

- (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.
- (2) The notice of availability may be given ~~to the Member~~ by any of the means set out above other than by posting it on a website.
- (3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.
- (4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.
- (5) Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Articles may register with the Company an electronic address to which notices can be served upon him.
- (6) Subject to any applicable laws, rules and regulations and the terms of these Articles, any notice, document or publication, including but not limited to the documents referred to in Articles 149, 150 and 158 may be given in the English language only or in both the English language and the Chinese language or, with the consent of or election by any member, in the Chinese language only to such member.
159. ...
- (a) ...
- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. ~~A Notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;~~
- (c) if published on the website of the Designated Stock Exchange or the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the website of the Designated Stock Exchange or the Company's website to which the relevant person may have access, or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;
- (ed) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and

- (d) ~~may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.~~
- (e) if published as an advertisement in a newspaper or other publication permitted under these Articles, shall be deemed to have been served on the day on which the advertisement first so appears.
160. (1) ...
- (2) A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the ~~Notice~~ Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.
- (3) ~~Any person who by operation of law, transfer or other means whatsoever shall become entitled to any share shall be bound by every Notice in respect of such share which prior to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.~~
161. For the purposes of these Articles, a facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received. The signature to any Notice or document to be given by the Company may be written, printed or in electronic form.
162. (1) ~~The~~ Subject to Article 162(2), the Board shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.
- (2) ~~A~~ Unless otherwise provided by the Act, a resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.
163. (1) Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) ~~if the Company shall be wound up and the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such ~~members~~ Members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the Members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.~~

- (2) If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the ~~Law~~Act, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of properties of one kind or shall consist of properties to be divided as aforesaid of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of the Members as the liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.
- (3) ~~In the event of winding up of the Company in Hong Kong, every Member who is not for the time being in Hong Kong shall be bound, within fourteen (14) days after the passing of an effective resolution to wind up the Company voluntarily, or the making of an order for the winding up of the Company, to serve notice in writing on the Company appointing some person resident in Hong Kong and stating that person's full name, address and occupation upon whom all summonses, notices, process, orders and judgements in relation to or under the winding up of the Company may be served, and in default of such nomination the liquidator of the Company shall be at liberty on behalf of such Member to appoint some such person, and service upon any such appointee, whether appointed by the Member or the liquidator, shall be deemed to be good personal service on such Member for all purposes, and, where the liquidator makes any such appointment, he shall with all convenient speed give notice thereof to such Member by advertisement as he shall deem appropriate or by a registered letter sent through the post and addressed to such Member at his address as appearing in the register, and such notice shall be deemed to be service on the day following that on which the advertisement first appears or the letter is posted.~~
164. (1) The Directors, Secretary and other officers and every Auditor ~~for the time being of the Company at any time, whether at present or in the past, and the liquidator or trustees (if any) for the time being acting or who have acted in relation to any of the affairs of the Company and everyone every one of them, and everyone every one of their heirs, executors and administrators, shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; and none of them shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity, or for any bankers or other persons with whom any moneys or effects belonging to the Company shall or may be lodged or deposited for safe custody, or for insufficiency or deficiency of any security upon which any moneys of or belonging to the Company shall be placed out on or invested, or for any other loss, misfortune or damage which may happen in the execution of their respective offices or trusts, or in relation thereto; PROVIDED THAT this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.~~
- (2) ...

165. Unless otherwise determined by the Directors, the financial year of the Company shall end on the 31st day of December in each year.
- ~~165~~166. No Article shall be rescinded, altered or amended and no new Article shall be made until the same has been approved by a special resolution of the Members. A special resolution shall be required to alter the provisions of the memorandum of association or to change the name of the Company.
- ~~166~~167. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the ~~members~~ Members of the Company to communicate to the public.

LIFESTYLE CHINA GROUP LIMITED

利福中國集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2136)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Lifestyle China Group Limited (the “**Company**”) will be held at the Event Gallery, 16/F SOGO CLUB, New Wing, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong on Monday, 20 March 2023, at 4:30 p.m. for the purposes of considering and, if thought fit, passing with or without amendments, the following resolutions:

ORDINARY RESOLUTION

1. “**THAT:**

- (a) the tenancy agreement dated 28 December 2022 (the “**New Shanghai Jiuguang Tenancy Agreement**”) entered into between 上海九百城市廣場有限公司 (Shanghai Joinbuy City Plaza Co. Ltd.*) as landlord and Shanghai Ongoing Department Store Limited (上海久光百貨有限公司) as tenant in relation to the entire building (including open space, external wall and roof top of the building) situated at 1618 Nanjing Xi Road, Shanghai, the PRC known as Shanghai Joinbuy City Plaza Building (上海久百城市廣場大廈), a copy of the New Shanghai Jiuguang Tenancy Agreement marked “**A**” being tabled before the meeting and initialled by the chairman of the meeting for identification purpose, and the transactions contemplated thereunder and in connection therewith be and are hereby approved, confirmed and ratified; and
- (b) any one director of the Company be and is hereby authorised to do all such further acts and things and sign, seal, execute, perfect and deliver all such documents on behalf of the Company as they may in their absolute discretion consider necessary, desirable or expedient for the purposes of and in connection with the implementation and/or give full effect to any matters relating to the New Shanghai Jiuguang Tenancy Agreement and the transactions contemplated thereunder.”

* *For identification purpose only*

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

SPECIAL RESOLUTION

2. To consider and, if thought fit, to pass (with or without amendments) the following resolution as special resolution:

“**THAT:**

- (a) the proposed amendments (the “**Proposed Amendments**”) to the existing memorandum of association and existing articles of association of the Company, the details of which are set forth in Appendix IV to the circular of the Company dated 22 February 2023 (the “**Circular**”), be and are hereby approved;
- (b) the second amended and restated memorandum of association of the Company and the second amended and restated articles of association of the Company (incorporating the Proposed Amendments) (the “**Amended and Restated Memorandum and Articles of Association**”) in the form of the document marked “**B**” and produced to this meeting and for the purpose of identification initialled by the chairman of the meeting, be and is hereby approved and adopted in substitution for, and to the exclusion of, the existing memorandum of association and existing articles of association of the Company respectively with immediate effect; and
- (c) any one director, secretary or registered office provider of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that he/she shall, in his absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the Amended and Restated Memorandum and Articles of Association and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws, rules and regulations in the Cayman Islands and Hong Kong.”

By order of the Board
Lifestyle China Group Limited
Poon Fuk Chuen
Company Secretary

Hong Kong, 22 February 2023

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

**Head Office and Principal Place
of Business in Hong Kong:**

20th Floor, East Point Centre
555 Hennessy Road
Causeway Bay
Hong Kong

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from Wednesday, 15 March 2023 to Monday, 20 March 2023, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the extraordinary general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 14 March 2023.
2. Any member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member may appoint a proxy in respect of part only of his holding of shares in the Company. A proxy need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorized to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorized to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
4. The instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint holders of any share, any one of such joint holder may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at the meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
7. The English text of this notice of extraordinary general meeting shall prevail over the Chinese text in case of inconsistency.
8. If a black rainstorm warning signal, a tropical cyclone warning signal no.8 or above or "extreme conditions" caused by super typhoons is in force at or at any time after 12:00 noon on the date of the meeting, the meeting may be adjourned in accordance with the articles of association of the Company. The Company will publish an announcement on the Company's website at www.lifestylechina.com.hk and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk to notify members of the date, time and place of the rescheduled meeting.
9. If member has any particular access requirements or needs special arrangements for participating at the meeting, please call the hotline of the Company's Hong Kong share registrar and transfer office at (852) 2862 8555.