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FORTUNE SPIRIT GROUP LIMITED LIFESTYLE CHINA GROUP LIMITED

(Incorporated in the British Virgin Islands with limited liability)

利福中國集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2136)

JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATISATION OF
THE COMPANY BY THE OFFEROR
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 86 OF THE CAYMAN COMPANIES ACT**

**(2) PROPOSED WITHDRAWAL OF LISTING OF
THE SHARES OF THE COMPANY**

AND

(3) RESUMPTION OF TRADING IN SHARES

Financial Adviser to the Offeror



INTRODUCTION

The Offeror and the Company jointly announce that on 2 December 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme, being a scheme of arrangement under section 86 of the Cayman Companies Act involving (i) the cancellation and extinguishment of the Scheme Shares and, in consideration therefor, the payment to the Scheme Shareholders as at the Scheme Record Date of the Cancellation Price in cash for each Scheme Share cancelled and extinguished; (ii) the simultaneous maintenance of the issued share capital of the Company at the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issuance of new Shares in the same number as the number of Scheme Shares cancelled and extinguished to the Offeror credited as fully paid out of the credit arising in the Company's books of account as a result of the cancellation and extinguishment of the Scheme Shares; and (iii) the withdrawal of the listing of the Shares on the Stock Exchange.

TERMS OF THE PROPOSAL

Under the Proposal, if the Scheme is approved and implemented, the Scheme Shares will be cancelled and extinguished and, in consideration therefor, each Scheme Shareholder as at the Scheme Record Date will be entitled to receive the Cancellation Price of HK\$0.913 in cash for each Scheme Share cancelled and extinguished.

The Proposal and the Scheme will become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the Conditions as described in the section headed "Terms of the Proposal — Conditions of the Proposal" of this joint announcement on or before the Long Stop Date, failing which the Scheme will not become effective and the Proposal will lapse.

TOTAL CONSIDERATION AND FINANCIAL RESOURCES

On the basis of the Cancellation Price of HK\$0.913 per Scheme Share and 367,408,208 Scheme Shares in issue as at the date of this joint announcement and assuming no further Shares will be issued on or before the Scheme Record Date, the amount of cash required to effect the Proposal would be approximately HK\$335,443,693.90.

The Offeror's payment obligations to the Scheme Shareholders as at the Scheme Record Date in respect of the Cancellation Price in cash pursuant to and in accordance with the Scheme shall be fulfilled by the Offeror. The Offeror intends to finance the cash required for the Proposal from its internal resources.

Quam Capital, as financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy its payment obligations in respect of the full implementation of the Proposal in accordance with its terms.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 4,000,000,000 Shares and the Company has 1,464,448,500 Shares in issue. The Offeror confirms that, as at the date of this joint announcement:

- (a) the Offeror does not beneficially own, control or have direction over any Shares;
- (b) the Offeror Concert Parties Not Subject to the Scheme beneficially own, control or have direction over 1,097,040,292 Shares, representing approximately 74.91% of the issued Shares;
- (c) the Offeror Concert Parties Subject to the Scheme beneficially own, control or have direction over 32,424,000 Shares, representing approximately 2.22% of the issued Shares;
- (d) the Independent Shareholders hold 334,984,208 Shares, representing approximately 22.87% of the issued Shares; and
- (e) the Scheme Shareholders hold 367,408,208 Shares, representing approximately 25.09% of the issued Shares.

As at the date of this joint announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its 1,464,448,500 issued Shares.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising the non-executive Director and all independent non-executive Directors, namely, Ms. Chan Chor Ling, Amy, Ms. Cheung Mei Han, Mr. Cheung Yuet Man, Raymond and Mr. Lam Kwong Wai, has been established by the Board to make recommendations to the Independent Shareholders as to whether the Proposal and the Scheme are, or are not, fair and reasonable, and whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the General Meeting.

An Independent Financial Adviser will be appointed with the Independent Board Committee's approval to advise the Independent Board Committee in connection with the Proposal and the Scheme. A further announcement will be made after the appointment of the Independent Financial Adviser.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being allotted and issued as fully paid to the Offeror) and the share certificates for the Scheme Shares cancelled and extinguished will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect as soon as practicable after the Effective Date.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that, neither the Offeror nor the Offeror Concert Parties, nor any person who is subsequently acting in concert with any of them, may within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses announce an offer or possible offer for the Company, except with the consent of the Executive.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document including, among other things, further details of the Proposal and the Scheme, an explanatory statement as required under the Cayman Companies Act and the rules of the Grand Court, the expected timetable relating to the Proposal, the letter from the Independent Board Committee containing its recommendations to the Scheme Shareholders in respect of the Proposal, the letter of advice in respect of the Proposal from the Independent Financial Adviser, a valuation report pursuant to Rule 11.1(f) of the Takeovers Code, and notices of the Court Meeting and the General Meeting (including proxy forms relating to such meetings) will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Listing Rules, the rules of the Grand Court and other applicable laws and regulations.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 3 December 2024 pending the issuance of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 December 2024.

WARNINGS

Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and/or potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.

This joint announcement is not intended to and does not constitute any offer or invitation to purchase or subscribe for any securities of the Company or the Offeror or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal should be made only on the basis of information in the Scheme Document.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or resident or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory or tax requirements of their respective jurisdictions. Further details in relation to overseas Scheme Shareholders will be contained in the Scheme Document.

Notice to US investors

The Proposal is being made to cancel the securities of a Cayman company by means of a scheme of arrangement provided for under the Cayman Companies Act and is subject to Cayman Islands and Hong Kong disclosure requirements which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules of the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal is subject to the requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the requirements of the US tender offer rules.

The receipt of cash pursuant to the Proposal by a US holder of the Scheme Shares as consideration for the cancellation of the relevant Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. US holders of the Scheme Shares are urged to consult their independent professional advisers immediately regarding the tax consequences of the Proposal applicable to them.

It may be difficult for US holders of the Scheme Shares to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of the Scheme Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

INTRODUCTION

On 2 December 2024, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Cayman Companies Act.

If the Proposal is approved and implemented, under the Scheme:

- (a) all the 367,408,208 Scheme Shares (representing 25.09% of the issued Shares) held by the Scheme Shareholders will be cancelled and extinguished on the Effective Date in exchange for the payment by the Offeror to each Scheme Shareholder as at the Scheme Record Date of the Cancellation Price in cash for each Scheme Share cancelled and extinguished;
- (b) upon the cancellation and extinguishment of the Scheme Shares, the issued share capital of the Company will be maintained at the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issuance to the Offeror of the same number of new Shares as the number of Scheme Shares cancelled and extinguished, and the credit arising in the Company's books of account as a result of the cancellation and extinguishment of the Scheme Shares will be applied in paying up in full at par the new Shares so allotted and issued to the Offeror; and
- (c) the Company will make an application for the withdrawal of the listing of the Shares on the Stock Exchange in accordance with Rule 6.15 of the Listing Rules and such withdrawal is expected to take with effect as soon as practicable after the Effective Date.

TERMS OF THE PROPOSAL

Cancellation Price

Under the Proposal, if the Scheme is approved and implemented, the Scheme Shares will be cancelled and extinguished and, in consideration therefor, each Scheme Shareholder as at the Scheme Record Date will be entitled to receive the Cancellation Price of HK\$0.913 in cash for each Scheme Share cancelled and extinguished.

Shareholders and potential investors are advised to exercise extreme caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

The total consideration payable to the Scheme Shareholders for the Scheme Shares cancelled and extinguished will be paid by the Offeror.

As at the date of this joint announcement, the Company (a) has not announced or declared any dividend, distribution or return of capital which has not been made or which remains unpaid; and (b) does not intend to announce, declare, make or pay any dividend, distribution or return of capital on or before the Effective Date. If, after the date of this joint announcement, any dividend or other distribution is made, declared or paid in respect of the Scheme Shares, the Company reserves the right to reduce the Cancellation Price by all or any amount equal to the amount of such dividend or other distribution, subject to the compliance with the Takeovers Code, in which case, any reference in this joint announcement, the Scheme Document or any other announcement(s) or document(s) to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced.

Comparison of value

The Cancellation Price of HK\$0.913 per Scheme Share represents:

- (a) a premium of approximately 21.7% over the closing price of HK\$0.750 per Share as quoted on the Stock Exchange on the Last Trading Date;
- (b) a premium of approximately 21.7% over the average closing price of approximately HK\$0.750 per Share as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Date;
- (c) a premium of approximately 21.2% over the average closing price of approximately HK\$0.753 per Share as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Date;
- (d) a premium of approximately 21.0% over the average closing price of approximately HK\$0.754 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;

- (e) a premium of approximately 24.8% over the average closing price of approximately HK\$0.732 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 25.4% over the average closing price of approximately HK\$0.728 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 22.2% over the average closing price of approximately HK\$0.747 per Share as quoted on the Stock Exchange for the 120 trading days up to and including the Last Trading Date;
- (h) a premium of approximately 24.5% over the average closing price of approximately HK\$0.733 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Date;
- (i) a discount of approximately 86.9% to the audited consolidated net asset value attributable to the owners of the Company per Share of approximately HK\$6.950 as at 31 December 2023, based on the audited consolidated net assets of the Group attributable to owners of the Company as stated in the audited consolidated statement of financial position of the Company as at 31 December 2023 of approximately RMB9,398,580,000 (equivalent to approximately HK\$10,177,901,953) and 1,464,448,500 Shares in issue as at the date of this joint announcement; and
- (j) a discount of approximately 86.9% to the unaudited consolidated net asset value attributable to the owners of the Company per Share of approximately HK\$6.981 as at 30 June 2024, based on the unaudited consolidated net assets of the Group attributable to the owners of the Company as stated in the unaudited condensed consolidated statement of financial position of the Company as at 30 June 2024 of approximately RMB9,440,251,000 (equivalent to approximately HK\$10,223,028,275) and 1,464,448,500 Shares in issue as at the date of this joint announcement.

The Cancellation Price has been determined on an arm's length commercial basis after taking into account, among others, the recent and historical trading prices of the Shares on the Stock Exchange, the publicly available financial information of the Group, and with reference to other privatisation transactions in Hong Kong in recent years.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.870 on 21 June 2024 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.630 on 17 September 2024 and 23 September 2024.

Total consideration and financial resources

On the basis of the Cancellation Price of HK\$0.913 per Scheme Share and 367,408,208 Scheme Shares in issue as at the date of this joint announcement and assuming no further Shares will be issued on or before the Scheme Record Date, the amount of cash required to effect the Proposal would be approximately HK\$335,443,693.90.

The Offeror's payment obligations to the Scheme Shareholders as at the Scheme Record Date in respect of the Cancellation Price in cash pursuant to and in accordance with the Scheme shall be fulfilled by the Offeror. The Offeror intends to finance the cash required for the Proposal from its internal resources.

The Offeror has appointed Quam Capital as its financial adviser in connection with the Proposal. Quam Capital, as financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy its payment obligations in respect of the full implementation of the Proposal in accordance with its terms.

Conditions of the Proposal

The Proposal and the Scheme will only become effective and binding on the Company and all Shareholders, subject to the fulfilment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme (by way of poll) at the Court Meeting by Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting in person or by proxy at the Court Meeting in accordance with the requirements of section 86 of the Cayman Companies Act as at the date of the Court Meeting;
- (b) (i) the approval of the Scheme (by way of poll) at the Court Meeting by Independent Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders entitled to vote at the Court Meeting that are cast either in person or by proxy at the Court Meeting; and (ii) the number of votes cast (by way of poll) by Independent Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Independent Shareholders;

- (c) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting (i) to approve and give effect to any reduction of the issued share capital of the Company by the cancellation and extinguishment of the Scheme Shares and (ii) to approve the simultaneous maintenance of the share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by allotting and issuing to the Offeror such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme; and (iii) the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror;
- (d) the Grand Court's sanction of the Scheme (with or without modification) under section 86 of the Cayman Companies Act, and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) all authorisations, approvals, permissions, waivers and consents and all registrations and filings (including without limitation any which are required or desirable under or in connection with any applicable laws or regulations or any licences, permits or contractual obligations of the Company) in connection with the Proposal or its implementation in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;
- (f) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to the Proposal or its implementation in accordance with its terms);
- (g) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms; or
- (h) the implementation of the Proposal not resulting in, and no event or circumstance having occurred or arisen which would or might be expected to result in:
 - (A) any indebtedness (actual or contingent) of any member of the Group being or becoming repayable (or capable of being declared repayable) immediately or prior to its stated maturity or repayment date;

- (B) any agreement, arrangement, licence, permit or instrument to which any member of the Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject (or any of the rights, liabilities, obligations or interests of any member of the Group thereunder) being terminated or adversely modified (or any material obligation or liability on the part of any member of the Group arising in relation thereto);
- (C) the creation or enforcement of any security interest over the whole or any part of the business, property or assets of any member of the Group or any such security (whenever arising) becoming enforceable; or
- (D) any adverse change to the business, financial or trading position, profits or prospects of the Group,

in each case, which is material in the context of the Group as a whole or in the context of the Proposal or its implementation in accordance with its terms.

The Offeror reserves the right to waive all or any of the Conditions (except for the Conditions in paragraphs (a) to (d) above) in whole or in part. The Company does not have the right to waive any of the Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Scheme will not become effective and the Proposal will lapse. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal or the Scheme if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal or the Scheme.

With reference to the Condition in paragraph (e), as at the date of this joint announcement, the Offeror is not aware of any requirement for such authorisations, approvals, permissions, waivers, consents, registrations or filings other than those set out in the Conditions in paragraphs (a) to (d). With reference to the Condition in paragraph (f), as at the date of this joint announcement, the Offeror is not aware of any such action, proceeding, suit, investigation, enquiry, statute, regulation, demand or order. With reference to the Condition in paragraph (g), as at the date of this joint announcement, the Offeror is not aware of any such non-compliance or regulatory requirement other than those set out in the Conditions in paragraphs (a) to (e). With reference to the Condition in paragraph (h), as at the date of this joint announcement, the Company is required to notify and/or obtain consent from certain lenders of existing banking facilities, amongst other things, the implementation of the Scheme and the delisting of Shares. Save for the aforesaid, as at the date of this joint announcement, the Offeror is not aware of any other consent required in respect of the Condition in paragraph (h).

If the Conditions are satisfied or (where applicable) waived and if the Scheme is approved, the Scheme will be binding on the Company and all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

As at the date of this joint announcement, none of the Conditions has been fulfilled or waived (as applicable).

Warning: Shareholders and/or potential investors should be aware that the implementation of the Proposal and the Scheme is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and/or potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.

OTHER ARRANGEMENTS

As at the date of this joint announcement:

- (a) save for the 1,129,464,292 Shares, representing approximately 77.13% of the issued Shares, held by the Offeror Concert Parties, neither the Offeror nor the Offeror Concert Parties owns, controls or directs any existing holding of voting rights and rights over the Shares or any convertible securities, warrants or options in the Company;
- (b) save for the Proposal, there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or the shares of the Offeror between the Offeror or the Offeror Concert Parties and any other person which might be material to the Proposal;
- (c) there is no agreement or arrangement to which the Offeror or the Offeror Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition to the Proposal or a Condition; and
- (d) neither the Offeror nor the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal.

There were no dealings in the Shares and other relevant securities of the Company by the Offeror or the Offeror Concert Parties during the six months period immediately prior to and up to the date of this joint announcement.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 4,000,000,000 Shares and the Company has 1,464,448,500 Shares in issue.

As at the date of this joint announcement, the Company does not have any outstanding shares, options, warrants, derivatives, convertible securities or other relevant securities in issue.

Save for Mr. Lau (whose interests are as set out in Notes (2) and (3) in the shareholding table below) and Ms. Chan Chor Ling, Amy (whose interests are set out in Note (6) in the shareholding table below), as at the date of this joint announcement, none of the Directors beneficially has any interests in the Shares.

The Offeror confirms that, as at the date of this joint announcement:

- (a) the Offeror does not beneficially own, control or have direction over any Shares;
- (b) the Offeror Concert Parties Not Subject to the Scheme beneficially own, control or have direction over 1,097,040,292 Shares (representing approximately 74.91% of the issued Shares);
- (c) the Offeror Concert Parties Subject to the Scheme beneficially own, control or have direction over 32,424,000 Shares, representing approximately 2.22% of the issued Shares;
- (d) the Independent Shareholders hold 334,984,208 Shares, representing approximately 22.87% of the issued Shares;
- (e) the Scheme Shareholders hold 367,408,208 Shares, representing approximately 25.09% of the issued Shares;
- (f) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror and the Offeror Concert Parties;
- (g) neither the Offeror nor the Offeror Concert Parties has entered into any outstanding derivative in respect of the securities in the Company;
- (h) neither the Offeror nor the Offeror Concert Parties has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (i) there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any shareholder of the Company; and (2) either (a) the Offeror and/or the Offeror Concert Parties; or (b) the Company, its subsidiaries or associated companies; and
- (j) other than the Cancellation Price for each Scheme Share cancelled payable under the Scheme, the Offeror or the Offeror Concert Parties have not paid or will not pay any other consideration, compensations or benefits in whatever form to the Scheme Shareholders or persons acting in concert with them in relation to the Scheme Shares.

The Company confirms that as at the date of this joint announcement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any shareholder of the Company, and the Company, its subsidiaries or associated companies.

For the avoidance of doubt, the Scheme Shares comprise the Shares beneficially owned, controlled or directed by the Offeror Concert Parties Subject to the Scheme and the Independent Shareholders.

As at the date of this joint announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than 1,464,448,500 issued Shares.

Assuming there is no other change in shareholding of the Company before completion of the Proposal, the table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately upon completion of the Proposal:

Shareholder	As at the date of this joint announcement		Immediately upon the completion of the Proposal	
	<i>Number of Shares</i>	<i>Approximate % of the issued Shares</i>	<i>Number of Shares</i>	<i>Approximate % of the issued Shares</i>
(A) Offeror ^{(Note (1))}	—	—	367,408,208	25.09
(B) Offeror Concert Parties Not Subject to the Scheme				
Mr. Lau ^{(Note (2))}	252,051,460	17.21	252,051,460	17.21
Mr. Lau's SPV Entities ^{(Note (3))}	844,988,832	57.70	844,988,832	57.70
(C) Offeror Concert Parties Subject to the Scheme				
Ms. Lau ^{(Note (4))}	9,308,500	0.64	—	—
Ms. Lau's SPV Entities ^{(Note (5))}	23,115,500	1.58	—	—
Sub-total for (A)+(B)+(C)	1,129,464,292	77.13	1,464,448,500	100
(D) Independent Shareholders ^{(Note (6))}	334,984,208	22.87	—	—
TOTAL: (A) + (B) + (C) + (D)	1,464,448,500	100	1,464,448,500	100
(E) Scheme Shareholders: = (C) + (D) ^{(Note (7))}	367,408,208	25.09		

Note (1): The Offeror is wholly-owned by Mr. Lau. Upon the Scheme becoming effective, the share capital of the Company will be maintained at the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issuance to the Offeror of the same number of the Shares as the number of Scheme Shares cancelled and extinguished, and the credit arising in the Company's books of account as a result of the cancellation and extinguishment of the Scheme Shares will be applied in paying up in full at par the new Shares so allotted and issued to the Offeror.

- Note (2):* 252,051,460 Shares are held by Mr. Lau as beneficial owner.
- Note (3):* 540,000,000 Shares are held by United Goal. United Goal is ultimately owned as to 80% by Mr. Lau through Asia Prime Assets Limited (the entire issued share capital of which is wholly owned by Mr. Lau) and as to 20% by certain family members of Mr. Lau Luen Hung, Joseph, the elder brother of Mr. Lau. The remaining 304,988,832 Shares are held by Dynamic Castle, which is wholly owned by Mr. Lau.
- Note (4):* 9,308,500 Shares are held by Ms. Lau, a younger sister of Mr. Lau, as beneficial owner.
- Note (5):* 1,000,000 Shares are held by Chaker Investments Limited, which is wholly owned by Ms. Lau. The remaining 22,115,500 Shares are held by WinPath Limited, which is wholly owned by Ms. Lau.
- Note (6):* 297,000 Shares are held by Ms. Chan Chor Ling, Amy, a non-executive Director, who is not regarded as acting in concert with the Offeror in relation to the Company and the Shares held by her will form part of the Scheme Shares held by the Independent Shareholders.
- Note (7):* Scheme Shares shall include any Shares held by Independent Shareholders and the Offeror Concert Parties Subject to the Scheme, and exclude all Shares held by Offeror Concert Parties Not Subject to the Scheme.

All Scheme Shareholders will be entitled to attend and vote on the Scheme at the Court Meeting. Each of the Offeror Concert Parties will, and will undertake to the Grand Court to procure that any Shares in respect of which they are beneficially interested will not be represented or voted at the Court Meeting.

The Offeror and each of the Offeror Concert Parties will undertake to the Grand Court to be bound by the terms of the Scheme and to execute and do and procure to be executed and done all such documents and things as may be necessary or desirable to be executed or done by each of them for the purposes of giving effect to the Scheme.

Upon the Scheme becoming effective, the Offeror and the Offeror Concert Parties Not Subject to the Scheme will hold all the issued Shares.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising the non-executive Director and all independent non-executive Director, namely, Ms. Chan Chor Ling, Amy, Ms. Cheung Mei Han, Mr. Cheung Yuet Man, Raymond and Mr. Lam Kwong Wai, has been established by the Board to make recommendations to the Independent Shareholders as to whether the Proposal and the Scheme are, or are not, fair and reasonable, and whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Proposal at the General Meeting. As at the date of this joint announcement, 297,000 Shares (representing approximately 0.02% of the issued share capital of the Company) are held by Ms. Chan Chor Ling, Amy.

Mr. Lau, Ms. Lau Kam Shim (the daughter of Mr. Lau) and Mr. Lau Kam Sen (the son of Mr. Lau), each of whom is an executive Director, are members of the Offeror Concert Parties and are considered to be interested in the Proposal and therefore they have not participated in any vote of the Board in relation to the Proposal.

An Independent Financial Adviser will be appointed with the Independent Board Committee's approval to advise the Independent Board Committee in connection with the Proposal and the Scheme. A further announcement will be made after the appointment of the Independent Financial Adviser.

REASONS FOR AND BENEFITS OF THE PROPOSAL

For the Scheme Shareholders

The Proposal represents an opportunity for the Scheme Shareholders to monetise their Shares for cash at a premium amidst challenging and uncertain market conditions and low trading liquidity of the Shares.

The PRC's economy has been facing various challenges due to various economic and political factors including, complex geopolitical tensions and weak domestic consumption. Although the PRC Government has announced various measures aiming to stabilise the economy and boost domestic consumption, the implementation and effectiveness of these measures are uncertain. Furthermore, consumers in the PRC have become more prudent in their spending decisions and the overall consumption confidence in the PRC may require more time to improve and hence it is expected that the retail sector in the PRC will remain competitive and challenging in the short to medium term.

The Share price has traded below the Cancellation Price over the last 12 months. The average daily trading volume of the Shares for the approximate 1-month period, 3-month period and 12-month period up to and including the Last Trading Date were approximately 481,405 Shares, 1,129,710 Shares and 514,608 Shares per day, representing only approximately 0.03%, 0.08% and 0.04% respectively of the 1,464,448,500 Shares in issue as at the date of this joint announcement. The low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares or they may not be able to dispose their entire shareholdings within a reasonable period of time.

The Proposal provides the Scheme Shareholders with an attractive opportunity to realise their entire investment in the Company upon the approval and implementation of the Proposal for cash at a premium over the prevailing share price without having to suffer from any illiquidity discount and settlement risk. The Cancellation Price of HK\$0.913 per Scheme Share represents a premium ranging from approximately 21.0% to approximately 25.4% over the average closing price per Share as quoted on the Stock Exchange for the periods as mentioned under the section headed “Terms of the Proposal — Cancellation Price” in this joint announcement. Therefore, the Proposal, if implemented, will offer the Scheme Shareholders a valuable opportunity to realise their entire investment in the Company at a premium and to reallocate the proceeds from the disposal of the Shares to alternative potential investment opportunities.

For the Offeror and the Company

Limited usage of the listing platform

The Company has not conducted any equity fund raising activities since its listing due to the relatively low trading liquidity of the Shares as explained above and the downward trend of the trading price of the Shares in the recent years. Under such circumstances, the Company is unable to effectively utilise its listing platform as a source of funding for its business and future growth. As such, the continued listing of the Shares does not provide any significant or meaningful benefit to the Company.

The privatisation of the Company is expected to enable the Offeror to make strategic decisions with focus on the long-term growth and benefits of the Group, free from the pressure of market expectations, share price fluctuations and compliance requirements which arise from the Company being a publicly listed company.

The Proposal, which entails the delisting of the Company, is also expected to reduce the administrative costs and management resources associated with maintaining the Company’s listing status and compliance with ongoing regulatory requirements as a listed company. It could also provide more flexibility to the Group to achieve long-term commercial development without subjecting itself to regulatory restrictions and obligations as a listed company, and without having to be concerned about short-term market reactions, and additional costs and expenses that may arise from the Company being a publicly listed company. The Proposal, if implemented, would enable the Offeror to run the business of the Group in a more efficient and effective manner.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability and is directly wholly-owned by Mr. Lau. The Offeror is an investment holding company. The directors of the Offeror are Mr. Lau, Ms. Lau Kam Shim and Mr. Lau Kam Sen, each of whom is a Director.

INFORMATION ON THE COMPANY

The Company is an exempted company incorporated in the Cayman Islands with limited liability and is listed on the main board of the Stock Exchange. The Group is principally engaged in the operation of department stores and other related retailing business and property investment in the PRC.

Set out below is the financial information of the Group for the two years ended 31 December 2023 and the six months ended 30 June 2023 and 2024, and as at 31 December 2022 and 2023 and 30 June 2024, as extracted from the annual report for the year ended 31 December 2023 and the interim report for the six months ended 30 June 2024 of the Company:

	For the year ended 31 December		For the six months ended 30 June	
	2022	2023	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	(audited)	(audited)	(unaudited)	(unaudited)
Revenue	1,127,588	1,348,975	695,235	644,603
Gross profit	658,104	785,434	394,070	362,066
Profit before taxation	185,421	357,713	303,689	164,227
(Loss)/profit for the year/period attributable to owners of the Company	(24,441)	87,767	127,622	41,668
				As at
		As at 31 December	30 June	
		2022	2023	2024
		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(audited)	(audited)	(unaudited)
Current assets	2,038,940	3,225,178	3,198,412	
Non-current assets	12,409,720	13,811,755	13,760,166	
Current liabilities	2,392,469	1,149,136	990,306	
Non-current liabilities	1,257,327	4,871,259	4,820,815	
Net assets attributable to owners of the Company	9,310,793	9,398,580	9,440,251	

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates for the Scheme Shares cancelled and extinguished will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15(2) of the Listing Rules, with effect as soon as practicable after the Effective Date.

Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date. If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor the Offeror Concert Parties (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive.

COSTS OF THE SCHEME

If the Scheme is either not recommended by the Independent Board Committee or not recommended by the Independent Financial Adviser as fair and reasonable, all costs and expenses incurred by the Company in connection with the Proposal and the Scheme shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

OVERSEAS SHAREHOLDERS

The making of the Proposal to, and the acceptance and the implementation of the Proposal by, the Scheme Shareholders who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions in which such Scheme Shareholders are located. Any Scheme Shareholders who are not resident in Hong Kong should inform themselves about and observe any applicable legal, tax or regulatory requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from the Scheme Shareholders in such jurisdiction.

Any acceptance by the Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Quam Capital, the exclusive financial adviser to the Offeror, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the receipt of the Scheme Document by overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders. If any such waiver is granted by the Executive, the Offeror and the Company reserve the right to make arrangements in respect of the Scheme Shareholders not resident in Hong Kong in relation to the Proposal. Such arrangements may include notifying any matter in connection with the Scheme or Proposal to the Scheme Shareholders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such Scheme Shareholders are resident. The notice will be deemed to have been sufficiently given despite any failure by such Scheme Shareholders to receive or see that notice.

TAXATION ADVICE

The Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal. It is emphasised that none of the Offeror, the Company, Quam Capital or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document including, among other things, further details of the Proposal and the Scheme, an explanatory statement as required under the Cayman Companies Act and the rules of the Grand Court, the expected timetable relating to the Proposal, the letter from the Independent Board Committee containing its recommendations to the Scheme Shareholders in respect of the Proposal, the letter of advice in respect of the Proposal from the Independent Financial Adviser, a valuation report pursuant to Rule 11.1(f) of the Takeovers Code, and notices of the Court Meeting and the General Meeting (including proxy forms relating to such meetings) will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Listing Rules, the rules of the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information and the Shareholders are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the General Meeting. Any acceptance or other response to the Proposal should be made only on the basis of the information in the Scheme Document or any other document by which the Proposal is made.

GENERAL MEETING AND COURT MEETING

All Shareholders will be entitled to vote on the special resolution to be proposed at the General Meeting (i) to approve and give effect to any reduction of share capital as a result of the cancellation and extinguishment of the Scheme Shares; and (ii) to approve the simultaneous maintenance of the share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by the allotment and issue to the Offeror of such number of new Shares as is equal to the number of Scheme Shares cancelled as a result of the Scheme; and (iii) the application of the credit arising in the Company's books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror.

The Offeror Concert Parties have indicated that, if the Scheme is approved at the Court Meeting, they will vote in favour of the special resolution to be proposed at the General Meeting to approve the allotment and issue of the new Shares to the Offeror and the maintenance of the share capital of the Company at the amount prior to the cancellation of the Scheme Shares.

DISCLOSURE OF DEALINGS

The respective associates (as defined in the Takeovers Code) of the Offeror and the Company (including persons holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Offeror and the Company) are hereby reminded to disclose their dealings in the relevant securities of the Company. In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 9:00 a.m. on 3 December 2024 pending the issuance of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 December 2024.

DEFINITIONS

In this joint announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“acting in concert” has the meaning ascribed to it in the Takeovers Code, and “persons acting in concert” and “concert parties” shall be construed accordingly;

“Board” the board of Directors;

“Cancellation Price”	the cancellation price of HK\$0.913 per Scheme Share cancelled and extinguished, payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme;
“Cayman Companies Act”	the Companies Act (2023 Revision) (as revised) of the Cayman Islands, as consolidated and revised from time to time;
“Company”	Lifestyle China Group Limited 利福中國集團有限公司, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 2136);
“Condition(s)”	the condition(s) to the Proposal as set out in the section headed “Terms of the Proposal — Conditions of the Proposal” above;
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme will be voted upon;
“Director(s)”	the director(s) of the Company;
“Dynamic Castle”	Dynamic Castle Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Mr. Lau;
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Cayman Companies Act and the Conditions;
“Executive”	the Executive Director of the Corporate Finance Division of SFC or any delegate of the Executive Director;
“General Meeting”	an extraordinary general meeting of the Company to be held as soon as practicable after the conclusion or adjournment of the Court Meeting convened on the same day and place for the Shareholders to consider and, if thought fit, approve, among others, (i) any reduction of the share capital of the Company by the cancellation and extinguishment of the Scheme Shares; (ii) the maintenance of the issued share capital of the Company at the amount immediately prior to the cancellation and extinguishment of the Scheme Shares by the allotment and issuance of the same number of new Shares as the number of the Scheme Shares cancelled and extinguished to the Offeror; (iii) the application of the credit arising in the Company’s books of accounts as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full at par value the new Shares issued to the Offeror;

“Grand Court”	the Grand Court of the Cayman Islands;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent board committee of the Directors comprising Ms. Chan Chor Ling, Amy, Ms. Cheung Mei Han, Mr. Cheung Yuet Man, Raymond and Mr. Lam Kwong Wai, being the non-executive Director and all independent non-executive Directors;
“Independent Financial Adviser”	the independent financial adviser to the Independent Board Committee to be appointed to advise the Independent Board Committee in connection with the Proposal and the Scheme;
“Independent Shareholders”	the Shareholders other than the Offeror and the Offeror Concert Parties;
“Last Trading Date”	2 December 2024, being the last full trading day on which the Shares were traded on the Stock Exchange prior to the publication of this joint announcement;
“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Long Stop Date”	means 30 April 2025, or such other date as may be agreed between the Offeror and the Company or, to the extent applicable, as the Executive may consent and the Grand Court may direct;
“Mr. Lau”	Mr. Lau Luen Hung, Thomas, an executive Director and the Chairman and Chief Executive Officer of the Company and the sole shareholder and the ultimate beneficial owner of the Offeror;
“Mr. Lau’s SPV Entities”	United Goal and Dynamic Castle;
“Ms. Lau”	Ms. Lau Yuk Chun, Mary, a younger sister of Mr. Lau;
“Ms. Lau’s SPV Entities”	(i) Chaker Investments Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Ms. Lau; and (ii) WinPath Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Ms. Lau;

“Offeror”	Fortune Spirit Group Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Mr. Lau;
“Offeror Concert Parties”	persons acting, or presumed to be acting, in concert with the Offeror (including but not limited to the Offeror Concert Parties Subject to the Scheme and the Offeror Concert Parties Not Subject to the Scheme);
“Offeror Concert Parties Not Subject to the Scheme”	Mr. Lau and Mr. Lau’s SPV Entities, who are persons acting in concert with the Offeror under the Takeovers Code;
“Offeror Concert Parties Subject to the Scheme”	Ms. Lau and Ms. Lau’s SPV Entities, who are persons presumed to be acting in concert with the Offeror under the Takeovers Code;
“PRC”	the People’s Republic of China (for the purpose of this joint announcement, excluding the Macao Special Administrative Region of the PRC, Hong Kong and Taiwan);
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the withdrawal of listing of the Shares from the Stock Exchange;
“Quam Capital”	Quam Capital Limited, a licensed corporation under the SFO to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, and the exclusive financial adviser to the Offeror in connection with the Proposal;
“Registrar of Companies”	the Registrar of Companies appointed under the Cayman Companies Act;
“RMB”	Renminbi, the lawful currency of the PRC;
“Scheme”	the scheme of arrangement to be proposed under section 86 of the Cayman Companies Act for the implementation of the Proposal;
“Scheme Document”	the composite scheme document of the Offeror and the Company containing, among other things, further details of the Proposal and the Scheme together with the additional information specified in the section headed “Despatch of the Scheme Document” above;
“Scheme Record Date”	the record date to be announced for determining the entitlements of the Scheme Shareholders to the Cancellation Price under the Scheme;

“Scheme Shareholders”	registered holders of the Scheme Shares;
“Scheme Shares”	the Shares in issue on the Scheme Record Date other than those held by the Offeror Concert Parties Not Subject to the Scheme;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholders”	registered holders of the Shares;
“Shares”	the ordinary shares with nominal value of HK\$0.005 each of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“United Goal”	United Goal Resources Limited, a company incorporated in the British Virgin Islands with limited liability, which is ultimately owned as to 80% by Mr. Lau through his controlled corporation and as to 20% by certain family members of Mr. Lau Luen Hung, Joseph, the elder brother of Mr. Lau; and
“United States” or “US”	United States of America.

* *For the purpose of this joint announcement, all amounts denominated in RMB has been converted (for information only) into HK\$ using the exchange rate of HK\$1 : RMB0.92343. Such conversion rate shall not be construed as a representation that amounts of RMB was or may have been converted.*

By order of the board of directors of
Fortune Spirit Group Limited
Lau Luen Hung, Thomas
Director

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

Hong Kong, 6 December 2024

As at the date of this joint announcement, the directors of the Offeror are Mr. Lau, Ms. Lau Kam Shim and Mr. Lau Kam Sen.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises Mr. Lau, Mr. Lau Kam Sen and Ms. Lau Kam Shim as executive directors, Ms. Chan Chor Ling, Amy, as non-executive director; and Ms. Cheung Mei Han, Mr. Cheung Yuet Man, Raymond and Mr. Lam Kwong Wai, as independent non-executive directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror in their capacity as directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.