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FORTUNE SPIRIT GROUP LIMITED LIFESTYLE CHINA GROUP LIMITED

(Incorporated in 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;
(3) DESPATCH OF SCHEME DOCUMENT;
AND
(4) CLOSURE OF REGISTER OF MEMBERS**

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



INTRODUCTION

Reference is made to (i) the announcement jointly issued by Fortune Spirit Group Limited (the “**Offeror**”) and Lifestyle China Group Limited (the “**Company**”) on 6 December 2024 in relation to, among other things, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement under section 86 of the Companies Act; (ii) the announcement jointly issued by the Offeror and the Company on 27 December 2024 in relation to the delay in despatch of the Scheme Document; (iii) the update announcement jointly issued by the Offeror and the Company on 6 January 2025; (iv) the update announcement jointly issued by the Offeror and the Company on 16 January 2025 in relation to, among other things, the proposed increase in the Original Cancellation Price and the request of the Offeror to the Company to put forward the Amended Proposal to the Scheme Shareholders; and (v) the scheme document (the “**Scheme Document**”) jointly issued by the Offeror and the Company on 28 January 2025 in relation to, among other things, the Amended Proposal and the Scheme.

Unless the context otherwise requires, capitalised terms used in this joint announcement shall have the same meanings as those defined in the Scheme Document.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document, together with the notices of the Court Meeting and the General Meeting to be held on Thursday, 20 February 2025 and the related forms of proxy, have been made available to the Shareholders on Tuesday, 28 January 2025.

The Scheme Document contains, among other things, further details of the Amended Proposal, the Scheme, the expected timetable, the letters from the Board, the Independent Board Committee and the Independent Financial Adviser, respectively, the Explanatory Memorandum of the Scheme, a valuation report, the financial information of the Group, the general information regarding the Group and the Offeror, a notice of each of the Court Meeting and the General Meeting, as well as other particulars required by the Takeovers Code.

RECOMMENDATIONS OF THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, 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), has been established by the Board to make recommendations to the Independent Shareholders as to: (i) whether the terms of the Amended Proposal (including the Scheme) are, or are not, fair and reasonable; and (ii) whether to vote in favour of the Scheme at the Court Meeting and the resolutions in connection with the implementation of the Amended Proposal at the General Meeting.

The Independent Financial Adviser has advised the Independent Board Committee that it considers that the Amended Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned, and accordingly, it advises the Independent Board Committee to recommend to the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Amended Proposal and the Scheme.

The Independent Board Committee, having been so advised, considers that the Amended Proposal and the Scheme are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the relevant resolution(s) to be proposed at the Court Meeting and the General Meeting to approve and implement the Amended Proposal and the Scheme.

Shareholders are urged to read carefully the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser as set out in their respective letters contained in the Scheme Document.

COURT MEETING AND THE GENERAL MEETING

The Court Meeting and the General Meeting are scheduled to be held at 10:30 a.m. and 11:00 a.m. (or immediately after the conclusion or adjournment of the Court Meeting), respectively, on Thursday, 20 February 2025 at Multi-function Room, 18/F, Tower I, The Twins, 12 Concorde Road, Kai Tak, Kowloon, Hong Kong.

In accordance with the directions of the Grand Court, the Court Meeting will be held for the purposes of considering and, if thought fit, approving the Scheme (with or without modifications).

The General Meeting will be held for the purpose of considering and, if thought fit, approving and giving effect to (i) any reduction of the issued share capital associated with the cancellation and extinguishment of the Scheme Shares; (ii) 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; and (iv) to authorise the Directors to take certain actions to implement the Amended Proposal.

Notices of the Court Meeting and the General Meeting are contained in the Scheme Document. The Company and the Offeror will make an announcement in relation to the results of the Court Meeting and the General Meeting no later than 7:00 p.m. on Thursday, 20 February 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the General Meeting, the register of members of the Company will be closed from Monday, 17 February 2025 to Thursday, 20 February 2025 (both days inclusive) and during such period, no transfer of Shares will be registered.

In order to qualify to attend and vote at the Court Meeting and the General Meeting, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 14 February 2025.

CONDITIONS OF THE AMENDED PROPOSAL

Shareholders and potential investors should be aware that the implementation of the Amended Proposal and the Scheme is subject to the Conditions being fulfilled or (where applicable) waived. All of the Conditions must be fulfilled or (where applicable) waived on or before the Long Stop Date, failing which the Amended Proposal and the Scheme will lapse. If the Conditions are satisfied or (where applicable) waived, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

If all of the resolutions are passed at the Court Meeting and the General Meeting, further announcement(s) will be made in relation to, among other things, the outcome of the Court Hearing and, if the Scheme is sanctioned, the Scheme Record Date, the Effective Date and the date of withdrawal of listing of the Shares from the Stock Exchange, in accordance with the requirements of the Takeovers Code and the Listing Rules.

EXPECTED TIMETABLE

The expected timetable is indicative only and is subject to change. Further announcement(s) will be made if there is any change to the following expected timetable. Unless otherwise specified, all times and dates refer to Hong Kong local times and dates. The expected timetable for the Amended Proposal and the Scheme is as follows:

**Hong Kong time
(unless otherwise specified)**

Despatch of the Scheme Document Tuesday, 28 January 2025

Latest time for lodging transfers of
Shares in order to become entitled to
attend and vote at the Court Meeting and
the General Meeting 4:30 p.m. on
Friday, 14 February 2025

Register of members of the Company closed for determining entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and entitlements of the Shareholders to attend and vote at the General Meeting (*Note 1*) Monday, 17 February 2025 to Thursday, 20 February 2025 (both days inclusive)

Latest time for lodging **PINK** forms of proxy in respect of the Court Meeting (*Note 2*) 10:30 a.m. on Tuesday, 18 February 2025

Latest time for lodging **WHITE** forms of proxy in respect of the General Meeting (*Note 2*) 11:00 a.m. on Tuesday, 18 February 2025

Meeting Record Date Thursday, 20 February 2025

Court Meeting (*Note 3*) 10:30 a.m. on Thursday, 20 February 2025

General Meeting (*Note 3*) 11:00 a.m. on Thursday, 20 February 2025 (or immediately after the conclusion or adjournment of the Court Meeting)

Announcement of the results of the Court Meeting and the General Meeting no later than 7:00 p.m. on Thursday, 20 February 2025

Expected last time for trading of the Shares on Stock Exchange 4:10 p.m. on Friday, 21 February 2025

Court Hearing 9:30 a.m. on Tuesday, 25 February 2025 (Cayman Islands time)

Announcement of (1) the results of the Court Hearing, (2) the expected Effective Date, and (3) the expected date of withdrawal of the listing of the Shares from the Stock Exchange no later than 8:30 a.m. on Wednesday, 26 February 2025

Latest time for lodging transfers of
Shares in order to qualify for entitlements
under the Scheme. 4:30 p.m. on
Wednesday, 26 February 2025

Register of members of the Company
closed for determining entitlements of
the Scheme Shareholders
under the Scheme (*Note 4*) from Thursday, 27 February 2025
onwards

Scheme Record Date Friday, 28 February 2025

Effective Date (*Note 5*) Friday, 28 February 2025
(Cayman Islands time)

Announcement of (1) the Effective Date and
(2) the withdrawal of the listing of the Shares from
the Stock Exchange no later than 8:30 a.m. on
Monday, 3 March 2025

Expected withdrawal of the listing of the
Shares from the Stock Exchange
becomes effective (*Note 6*) 4:00 p.m. on
Tuesday, 4 March 2025

Latest time to despatch cheques for cash
payment of the Revised Cancellation Price to the Scheme
Shareholders under the Scheme (*Notes 7 and 8*) on or before
Tuesday, 11 March 2025

Notes:

1. The register of members of the Company will be closed during such period for the purpose of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the Shareholders to attend and vote at the General Meeting. This book closure period is not for determining the entitlements under the Scheme.
2. Forms of proxy should be deposited at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible, but in any event no later than the respective times and dates stated above. In the case of the **PINK** form of proxy in respect of the Court Meeting, it may also be handed to the chairman of the Court Meeting at the Court Meeting (who shall have absolute discretion as to whether or not to accept it). If the **WHITE** form of proxy is not lodged at least 48 hours before the time appointed for the General Meeting, it will not be valid. The completion and return of a form of proxy for the Court Meeting or the General Meeting will not preclude a Shareholder from attending and voting at the relevant meeting or any adjournment thereof in person. In such event, the relevant form of proxy will be revoked by operation of law.

3. The Court Meeting and the General Meeting will be held at Multi-function Room, 18/F, Tower 1, The Twins, 12 Concorde Road, Kai Tak, Kowloon, Hong Kong at the times and dates specified above. Please refer to the notice of the Court Meeting set out in Appendix V to the Scheme Document and the notice of the General Meeting set out in Appendix VI to the Scheme Document for details.
4. The register of members of the Company will be closed during such period for the purpose of determining the Scheme Shareholders who are qualified for entitlements under the Scheme.
5. The Scheme will become effective upon the fulfilment or waiver (as applicable) of all of the Conditions to the Amended Proposal as set out in the section headed “3. Conditions of the Amended Proposal and the Scheme” in Part VII — Explanatory Memorandum of the Scheme Document.
6. If the Amended Proposal becomes unconditional and the Scheme becomes effective, it is expected that the listing of the Shares on the Stock Exchange will be withdrawn at 4:00 p.m. on Tuesday, 4 March 2025.
7. Cheques for payment of the Revised Cancellation Price to the Scheme Shareholders will be despatched as soon as possible but in any event no later than 7 business days (as defined in the Takeovers Code) after the Effective Date by ordinary post in postage pre-paid envelopes addressed to the person(s) entitled there to at their respective addresses as appearing on the register of members of the Company as at the Scheme Record Date or, in the case of joint holders, at the address appearing on the register of members of the Company as at the Scheme Record Date of the joint holder whose name then stands first in the register of members of the Company in respect of the relevant joint holding. All such cheques will be sent at the risk of the addressee and none of the Offeror, the Company, Quam Capital, the Independent Financial Adviser and the branch share registrar of the Company, nor their respective directors, employees, officers, agents, advisers, associates and affiliates or any other persons involved in the Amended Proposal shall be liable for any loss or delay in despatch.
8. If any severe weather condition is (a) in effect in Hong Kong at any local time before 12:00 noon but no longer in force at or after 12:00 noon on Tuesday, 11 March 2025, the latest date to despatch cheques for cash payment of the Revised Cancellation Price to the Scheme Shareholders will remain on the same business day; or (b) in effect at 12:00 noon and/or thereafter on Tuesday, 11 March 2025, the latest time to despatch cheques for cash payment of the Revised Cancellation Price to the Scheme Shareholders may be postponed to the next business day (that does not have any severe weather condition at 12:00 noon or thereafter), i.e. Wednesday, 12 March 2025 (or a later date that does not have any severe weather condition at 12:00 noon or thereafter).

For the purpose of this document, “severe weather” refers to the scenario where a tropical cyclone warning signal number 8 or above is hoisted, a black rainstorm warning and/or the “extreme conditions” warning as announced by the Hong Kong government is/are in force in Hong Kong. Further announcement(s) will be made if there is any change to the expected timetable as a result of any severe weather.

WARNINGS: Shareholders and potential investors should be aware that the implementation of the Amended Proposal and the Scheme is subject to the Conditions being fulfilled or (where applicable) waived. Accordingly, the Amended Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors are advised to 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, bank manager, solicitor or other professional advisers.

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, 28 January 2025

As at the date of this joint announcement, the directors of the Offeror are Mr. Lau Luen Hung, Thomas, 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 Luen Hung, Thomas, 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 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.