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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) RESULTS OF THE COURT MEETING AND
THE GENERAL MEETING;**

AND

(4) LAPSE OF THE AMENDED PROPOSAL

Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



RESULTS OF THE COURT MEETING AND THE GENERAL MEETING

The Court Meeting

On Thursday, 20 February 2025, the resolution to approve the Scheme was not approved by the Scheme Shareholders at the Court Meeting.

The General Meeting

On Thursday, 20 February 2025, the following special resolution was approved 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) to approve 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.

As the Scheme was not approved at the Court Meeting, the resolution passed at the General Meeting will not take effect.

LAPSE OF THE AMENDED PROPOSAL AND THE SCHEME

As (1) the Scheme was not approved by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting; and (2) the number of votes cast (by way of poll) by the Independent Shareholders present and voting either in person or by proxy against the resolution to approve the Scheme at the Court Meeting was more than 10% of the votes attaching to all the Scheme Shares held by all the Independent Shareholders at the Court Meeting, (i) the Amended Proposal has lapsed and will not be implemented; (ii) the Scheme will not become binding and effective; (iii) the listing of the Shares on the Stock Exchange will not be withdrawn; and (iv) the register of members of the Company will not be closed from Thursday, 27 February 2025 onwards for determining the entitlements of the Scheme Shareholders under the Scheme.

INTRODUCTION

Reference is made to 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.

RESULTS OF THE COURT MEETING

The Court Meeting was held at Multi-function Room, 18/F, Tower I, The Twins, 12 Concorde Road, Kai Tak, Kowloon, Hong Kong on Thursday, 20 February 2025 at 10:30 a.m. Save as disclosed below, all Scheme Shareholders who were present either in person or by proxy were entitled to vote on the Scheme at the Court Meeting.

In compliance with both Section 86 of the Companies Act and Rule 2.10 of the Takeovers Code, the approval required to be obtained at the Court Meeting in respect of the Scheme would be regarded as obtained if:

- (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 Companies Act as at the date of the Court Meeting; and
- (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.

The poll results in respect of the resolution to approve the Scheme at the Court Meeting were as follows:

	Number of votes cast in person or by proxy <i>(approximate %)</i>		
	Total	For	Against
Number of Shares held by the Scheme Shareholders who were present and voted in person or by proxy	144,991,688 (100%)	87,215,560 (60.15%)	57,776,128 (39.85%)
Number of disinterested Shares held by the Independent Shareholders who were present and voted in person or by proxy	144,991,688 (100%)	87,215,560 (60.15%)	57,776,128 (39.85%)
Approximate percentage of: (i) the number of votes cast by the Independent Shareholders who attended and voted in person or by proxy against the Scheme (being 57,776,128 Shares) over (ii) the number of votes attaching to all the Scheme Shares held by all the Independent Shareholders (being 334,984,208 Shares)			17.25%

Note: The percentage figures are rounded to two decimal places.

As less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting, in person or by proxy, at the Court Meeting (i.e. approximately 60.15% as referred above) were cast for the resolution to approve the Scheme, less than 75% of the votes of the Independent Shareholders present and voting, in person or by proxy, at the Court Meeting (i.e. approximately 60.15% as referred above) were cast for the resolution to approve the Scheme, and the number of votes cast (by way of poll) by the Independent Shareholders present and voting either in person or by proxy against the resolution to approve the Scheme at the Court Meeting was more than 10% of the votes attaching to all the Scheme Shares held by all the Independent Shareholders at the Court Meeting (i.e. approximately 17.25% as referred above), accordingly, the resolution proposed at the Court Meeting to approve the Scheme was not passed in accordance with the requirements of both Section 86 of the Companies Act and Rule 2.10 of the Takeovers Code.

As at the date of the Court Meeting:

- (1) the total number of Shares in issue was 1,464,448,500 Shares;
- (2) the total number of Scheme Shares was 367,408,208 Shares, representing approximately 25.09% of the issued Shares;

- (3) the total number of Shares entitled to be voted at the Court Meeting in respect of the Scheme for the purposes of section 86 of the Companies Act was 367,408,208 Shares, representing approximately 25.09% of the issued Shares;
- (4) the total number of disinterested Shares held by Independent Shareholders entitled to vote at the Court Meeting in respect of the Scheme for the purposes of Rule 2.10 the Takeovers Code was 334,984,208 Shares, representing approximately 22.87% of the issued Shares. Accordingly, the number of Shares representing 10% of the disinterested Shares was 33,498,420.

As at the date of the Court Meeting, the Offeror and the Offeror Concert Parties held or beneficially owned 1,129,464,292 Shares, representing approximately 77.13% of the issued Shares. As the Offeror and the Offeror Concert Parties Not Subject to the Scheme are not Scheme Shareholders, they did not vote on the Scheme at the Court Meeting. The Shares held or beneficially owned by the Offeror Concert Parties Subject to the Scheme form part of the Scheme Shares. However, each of the Offeror Concert Parties has undertaken 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.

As at the date of the Court Meeting, the Offeror Concert Parties Subject to the Scheme, being Ms. Lau and Ms. Lau's SPV Entities, who in aggregate held 32,424,000 Shares, representing approximately 2.22% of the total issued Shares as at the Latest Practicable Date, had abstained from voting on the Scheme at the Court Meeting.

Save as disclosed above, no Scheme Shareholder was required to abstain from voting on the Scheme at the Court Meeting in accordance with the Takeovers Code or the Listing Rules (including Rule 13.40 of the Listing Rules) nor did any person indicate in the Scheme Document that he/she/it intended to abstain from voting on or voting against the Scheme at the Court Meeting.

Mr. Lam Kwong Wai, an independent non-executive Director acted as the chairman of the Court Meeting and the attendance record of the Directors at the Court Meeting was as follows: Mr. Lau Luen Hung, Thomas, Mr. Lau Kam Sen and Mr. Lam Kwong Wai attended in person; Ms. Chan Chor Ling, Amy; Ms. Cheung Mei Han and Mr. Cheung Yuet Man, Raymond attended by electronic means; and Ms. Lau Kam Shim was absent.

Computershare Hong Kong Investor Services Limited, being the branch share registrar of the Company in Hong Kong, acted as the scrutineer for the vote-taking at the Court Meeting.

RESULTS OF THE GENERAL MEETING

The General Meeting was held at Multi-function Room, 18/F, Tower I, The Twins, 12 Concorde Road, Kai Tak, Kowloon, Hong Kong on Thursday, 20 February 2025 at 11:00 a.m.

The poll results in respect of the Special Resolution at the General Meeting were as follows:

Special Resolution	Number of votes cast in person or by proxy (approximate %)		
	Total	For	Against
<p>“THAT:</p> <p>(a) for the purpose of giving effect to the scheme of arrangement between the Company and the Scheme Shareholders (as defined in the Scheme Document) (“Scheme”) as set out in the composite scheme document dated 28 January 2025 (“Scheme Document”) on the Effective Date (as defined in the Scheme Document), any reduction of the share capital of the Company as a result of the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme Document) be and is hereby approved; and (b) contemporaneously with (a) above the maintenance of the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme to the Offeror (as defined in the Scheme Document) be and is hereby approved; and (c) any one director of the Company be and is hereby authorised to do all acts and things and/or execute all such documents as considered by them to be necessary for or desirable in connection with the implementation of the Amended Proposal (as defined in the Scheme Document) and the Scheme, including (without limitation) (i) the making of an application to the Stock Exchange (as defined in the Scheme Document) for the withdrawal of the listing of the Shares on the Stock Exchange, subject to the Scheme taking effect; (ii) the allotment and issue of the Shares to the Offeror referred to above; and (iii) the giving, on behalf of the Company, of any required consent to any modification of, or addition to, the Scheme which the Grand Court of the Cayman Islands may see fit to impose.”</p>	<p>1,007,061,523 (100%)</p>	<p>953,561,978 (94.69%)</p>	<p>53,499,545 (5.31%)</p>

Note: The percentage figures are rounded to two decimal places.

Accordingly, at the General Meeting, the special resolution proposed at the General Meeting was passed by a majority of not less than 75% of the votes cast by the Shareholders present and voting (either in person or by proxy) at the General Meeting.

As the Scheme was not approved at the Court Meeting, the resolution passed at the General Meeting will not take effect.

As all Shareholders as at the Meeting Record Date were entitled to attend the General Meeting and to vote on the special resolution above, the total number of Shares entitling the holders to attend and vote on the special resolution above was 1,464,448,500 Shares.

As set out in the paragraph headed “14. THE COURT MEETING AND GENERAL MEETING” in the Explanatory Memorandum of the Scheme Document, the Offeror Concert Parties have indicated that, if the Scheme is approved at the Court Meeting, they would vote in favour of the special resolution to be proposed at the General Meeting to approve and give effect to the reduction of share capital and implementation of the Amended Proposal. The Offeror Concert Parties had voted in favour of the special resolution proposed at the General Meeting.

There were no Shares entitling the holders thereof to attend where such holders were required to abstain from voting in favour of the special resolution at the General Meeting pursuant to Rule 13.40 of the Listing Rules, and no Shareholder was required under the Listing Rules to abstain from voting on the special resolution at the General Meeting nor did any person state any intention in the Scheme Document to vote against or to abstain from voting on the special resolution at the General Meeting.

Mr. Lam Kwong Wai, an independent non-executive Director acted as the chairman of the General Meeting and the attendance record of the Directors at the General Meeting was as follows: Mr. Lau Luen Hung, Thomas, Mr. Lau Kam Sen and Mr. Lam Kwong Wai attended in person; Ms. Chan Chor Ling, Amy, Ms. Cheung Mei Han and Mr. Cheung Yuet Man, Raymond attended by electronic means; and Ms. Lau Kam Shim was absent.

Computershare Hong Kong Investor Services Limited, being the branch share registrar of the Company in Hong Kong, acted as the scrutineer for the vote-taking at the General Meeting.

LAPSE OF THE AMENDED PROPOSAL AND THE SCHEME

As (1) the Scheme was not approved by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders present and voting either in person or by proxy at the Court Meeting; and (2) the number of votes cast (by way of poll) by the Independent Shareholders present and voting either in person or by proxy against the resolution to approve the Scheme at the Court Meeting was more than 10% of the votes attaching to all the Scheme Shares held by all the Independent Shareholders at the Court Meeting, (i) the Amended Proposal has lapsed and will not be implemented; (ii) the Scheme will not become binding and effective; (iii) the listing of the Shares on the Stock Exchange will not be withdrawn; and (iv) the register of members of the Company will not be closed from Thursday, 27 February 2025 onwards for determining the entitlements of the Scheme Shareholders under the Scheme.

Pursuant to Rule 31.1 of the Takeovers Code, neither the Offeror nor any person who acted in concert with it in the course of the Amended Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date of this joint announcement, announce an offer or possible offer for the Company, except with the consent of the Executive.

None of the events indicated in the expected timetable set out in the Scheme Document in relation to the Amended Proposal and the Scheme will take place from the date of this joint announcement.

GENERAL

Immediately before 6 December 2024 (being the commencement date of the Offer Period), the total number of Shares held or beneficially owned or controlled or directed by the Offeror and the Offeror Concert Parties was 1,129,464,292 Shares, representing approximately 77.13% of the issued Shares. As at the date of this joint announcement, the total number of Shares held or beneficially owned or controlled or directed by the Offeror and the Offeror Concert Parties is 1,129,464,292 Shares, representing approximately 77.13% of the issued Shares.

Neither the Offeror nor any of the Offeror Concert Parties had acquired or agreed to acquire any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares since the commencement of the Offer Period (i.e. 6 December 2024) up to the date of this joint announcement.

As at the date of this joint announcement, neither the Offeror nor any of the Offeror Concert Parties had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

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, 20 February 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.