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JS Global Lifestyle Company Limited

JS 环球生活有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1691)

CONTINUING CONNECTED TRANSACTIONS
(1) SOURCING SERVICES AGREEMENT – JS GLOBAL;
(2) SOURCING SERVICES AGREEMENT – JOYOUNG;
(3) BRAND LICENSE AGREEMENT;
(4) PRODUCT DEVELOPMENT AGREEMENT; AND
(5) TRANSITION SERVICES AGREEMENT

Independent Financial Adviser



(1) SOURCING SERVICES AGREEMENT – JS GLOBAL

Pursuant to the Sourcing Services Agreement – JS Global, the Group would provide the JS Global Transitional Sourcing Services (as defined below) to the SharkNinja Group. The initial term of the Sourcing Services Agreement – JS Global commenced on July 31, 2023 upon the completion of the Spin-off and will expire on June 30, 2025.

(2) SOURCING SERVICES AGREEMENT – JOYOUNG

Pursuant to the Sourcing Services Agreement – Joyoung, the SharkNinja Group will engage the Joyoung Group to manufacture, or procure OEM suppliers to manufacture, certain “Shark” and “Ninja” (“SN”) branded products, including cooking appliances, food preparation appliances and floorcare products, and source these products from Joyoung Group. The initial term of the Sourcing Services Agreement – Joyoung is three years from July 31, 2023 upon the completion of the Spin-off.

(3) BRAND LICENSE AGREEMENT

Pursuant to the Brand License Agreement, the SharkNinja Group will grant to the Group the non-exclusive rights to obtain, produce and source, and the exclusive rights to distribute and sell, SN brands of products in the Asia Pacific Region and Greater China markets. The term of the Brand License Agreement is 20 years from July 31, 2023 upon the completion of the Spin-off.

(4) PRODUCT DEVELOPMENT AGREEMENT

Pursuant to the Product Development Agreement, the Group may engage the SharkNinja Group to develop market tailored products for Asia Pacific Region and Greater China markets, and provide certain related business support services, for which the SharkNinja Group will charge service fees to the Group. The initial term of the Product Development Agreement is three years from July 31, 2023 upon the completion of the Spin-off.

(5) TRANSITION SERVICES AGREEMENT

Pursuant to the Transition Services Agreement, the SharkNinja Group will provide certain transition services, including various information technology and back-office services as well as limited and shorter-term front-office services to the Group to facilitate the Group’s business operations of SN brands of products in the Asia Pacific Region and Greater China markets with an initial term of two years from July 31, 2023 upon the completion of the Spin-off.

LISTING RULE IMPLICATIONS

SharkNinja HK is wholly-owned by SharkNinja, which is owned as to over 40% by JS Holding, a Controlling Shareholder of the Company upon the completion of the Spin-off and the Distribution.

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of (1) the Sourcing Services Agreement – JS Global and (2) the Sourcing Services Agreement – Joyoung, respectively, would be more than 5%, the transactions contemplated under the (1) the Sourcing Services Agreement – JS Global and (2) the Sourcing Services Agreement – Joyoung are subject to the reporting, announcement, the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of each of (3) the Brand License Agreement, (4) the Product Development Agreement and (5) the Transition Services Agreement, respectively, would be more than 0.1% but less than 5%, the transactions contemplated under (3) the Brand License Agreement, (4) the Product Development Agreement and (5) the Transition Services Agreement are subject to the reporting and announcement requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Brand License Agreement exceeds three years, the Company has appointed Gram Capital to explain why a term longer than three years is required and Gram Capital has confirmed that it is a normal business practice for agreements of this type to be of such duration.

(1) SOURCING SERVICES AGREEMENT – JS GLOBAL

Set out below are the principal terms of the Sourcing Services Agreement – JS Global:

Date of Agreement:

July 29, 2023 (New York time)/July 30, 2023 (Hong Kong time)

Parties:

SharkNinja HK (as buyer) and JS Global Trading (as seller)

Nature of the transaction:

Pursuant to the Sourcing Services Agreement – JS Global, the sourcing office of the Group will continue to provide value-added sourcing services to the SharkNinja Group over a transitional period after the Spin-off. Such transitional value-added services will primarily include assisting the SharkNinja Group in strategic planning, analysis and direction, such as the maintenance and development of OEM supplier channel and relationships, pricing term negotiation, production development and management, supplier inventory management, and coordination of product production planning (the “**JS Global Transitional Sourcing Services**”).

Term:

The initial term of the Sourcing Services Agreement – JS Global commenced on July 31, 2023 upon the completion of the Spin-off and will expire on June 30, 2025.

Reasons and benefits for the Sourcing Services Agreement – JS Global

Owing to the long-term historical cooperation, the Group has acquired comprehensive understanding of the SharkNinja Group’s business and operational requirements and established a great foundation for mutual trust between the parties. In addition, the Group has maintained long-term and stable relationships with OEM suppliers, who understand well the sophisticated technical standards of SN brands of products based on their cooperative experience with the Group, and secure proper use of intellectual properties of the SharkNinja Group and prevent the leakage of the SharkNinja Group’s technical and trade secrets. Therefore, although the SharkNinja Group will establish its sourcing office after completion of the Spin-off, the sourcing office of the Group, which is comprised of senior and experienced personnel, will continue to provide the JS Global Transitional Sourcing Services. With such support, the SharkNinja Group will have capability and capacity to carry out its own sourcing function and will enter into procurement contracts with OEM suppliers directly for production and manufacturing of products to support the sales of SN brands of products in North America, Europe and other international markets.

Pricing policies:

The service fee rate for the JS Global Transitional Sourcing Services is expected to be approximately 4% of the procurement amount of the products sourced from the OEM suppliers by SharkNinja Group (the “**Procurement Amount**”) commencing from July 31, 2023, when the SharkNinja Group starts to establish its own sourcing capabilities, till the end of the first half of 2024. Alongside the SharkNinja Group’s gearing up of its capabilities to conduct sourcing activities independently, the service fee rate to be charged by the Group is expected to be decreased to approximately 2% of the Procurement Amount in the second half of 2024, and further decrease to 1% of the Procurement Amount in the first half of 2025.

Historical Amount

Reference is made to the circular of the Company with respect to the Spin-off dated June 5, 2023. As disclosed in the circular, historically, there were two sourcing offices within the Group, which provided sourcing services to the SharkNinja Group for production and manufacturing of SN products (the “**Intra Group Sourcing Arrangement**”). Such Intra Group Sourcing Arrangement was accounted for as trading arrangements (i.e. buy and sale) with a mark-up rate charged by the two sourcing offices within the Group, pursuant to which the revenue of the two sourcing offices was made up of the procurement amounts charged by the OEM suppliers and the mark-up fee charged by the two sourcing offices. Upon completion of the Spin-off, sourcing service fees representing the value of the JS Global Transitional Sourcing Services shall be charged by the sourcing office of the Group to the SharkNinja Group during the term of the Sourcing Services Agreement – JS Global. Therefore, prior to the Spin-off, the Company did not incur service fee under the Sourcing Services Agreement – JS Global.

Proposed Annual Caps

	From July 31, 2023 to December 31, 2023	For the year ending December 31, 2024	For the six months ending June 30, 2025
Annual Caps	45.0	70.0	15.0

The annual caps for the Sourcing Services Agreement – JS Global are principally determined based on:

- (i) the expected business development of SharkNinja Group and Procurement Amount from 2023 to 2025 with reference to the historical Procurement Amount by the SharkNinja Group; and
- (ii) the decline trend of JS Global Transitional Sourcing Services alongside the SharkNinja Group's gearing up of its capabilities to conduct sourcing activities independently.

Listing Rule Implications

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the Sourcing Services Agreement – JS Global would be more than 5%, the transactions contemplated under the Sourcing Services Agreement – JS Global are subject to the reporting, announcement, the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(2) SOURCING SERVICES AGREEMENT – JOYOUNG

Date of agreement:

July 29, 2023 (New York time)/July 30, 2023 (Hong Kong time)

Parties:

SharkNinja HK (as buyer) and Joyoung Entities (as seller)

Nature of the transaction:

Pursuant to the Sourcing Services Agreement – Joyoung, the SharkNinja Group will engage the Joyoung Group to manufacture, or procure OEM suppliers to manufacture, certain SN brands of products, including cooking appliances, food preparation appliances and floorcare products, and source these products from Joyoung Group.

Term:

The initial term of the Sourcing Services Agreement – Joyoung is three years from July 31, 2023 upon the completion of the Spin-off.

Reasons and benefits for the Sourcing Services Agreement – Joyoung

The Joyoung Group historically manufactured, and procured its OEM suppliers to manufacture, certain SN brands of products, including cooking appliances, food preparation appliances and floorcare products. Such cooking appliances and food preparation appliances were sourced by the SharkNinja Group from the Joyoung Group for further sale in North America and European markets. While the SharkNinja Group is identifying alternative OEM suppliers that manufacture cooking appliances, food preparation appliances and floorcare products with comparable capacities and qualities as the Joyoung Group, during the transitional period following the completion of the Spin-off, the SharkNinja Group will continue to leverage the Joyoung Group and its suppliers' expertise and resources with respect to certain cooking appliances, food preparation appliances such that the SharkNinja Group could expand its offerings of kitchen products over time.

Pricing policies:

The SharkNinja Group will pay to the Joyoung Group sourcing fees, being the purchase amount with a mark-up rate. Such mark-up rate for the sourcing fees under the Sourcing Services Agreement – Joyoung shall be determined by the Joyoung Group and the SharkNinja Group on an arm's length basis, with reference to (i) the historical sourcing service rates charged by the Joyoung Group from the SharkNinja Group for the manufacturing, or procuring OEM suppliers to manufacture, certain SN brands of cooking appliances, food preparation appliances and floorcare products; and (ii) the cost and expense for the Joyoung Group to conduct sourcing services under the Sourcing Services Agreement – Joyoung.

Historical Amount

	For the year ended December 31, 2020	For the year ended December 31, 2021	For the year ended December 31, 2022
Transaction amount	108.3	183.3	172.7

(US\$ million)

Proposed Annual Cap

The estimated annual cap for the Sourcing Services Agreement – Joyoung from July 31, 2023 to December 31, 2023 is US\$220.0 million, which is principally determined based on:

- (i) the historical transaction amounts between the SharkNinja Group and the Joyoung Group;
- (ii) the expected growth of recognition and consumer base expansion of the SharkNinja brand, and accordingly the expected increasing demand for small household products manufactured by the Joyoung Group and/or the OEM suppliers engaged by the Joyoung Group; and
- (iii) the expected increase in purchase fees to be charged by the Joyoung Group and/or the OEM suppliers engaged by the Joyoung Group, due to the estimated increase in the cost of labor for the provision of products and services by Joyoung Group and/or the OEM suppliers engaged by the Joyoung Group.

Considering the various factors which may impact the sales of SN brands of products by the SharkNinja Group and the procurement amount by the SharkNinja Group from the Joyoung Group after the Spin-off, the Company targets to set and disclose the annual cap for the transactions under the Sourcing Services Agreement – Joyoung per annum, and will comply with the applicable reporting, announcements, circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

Listing Rule Implications

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the Sourcing Services Agreement – Joyoung would be more than 5%, the transactions contemplated under the Sourcing Services Agreement – Joyoung are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(3) BRAND LICENSE AGREEMENT

Date of agreement:

July 29, 2023 (New York time)/July 30, 2023 (Hong Kong time)

Parties:

SharkNinja Europe (as licensor) and JS Global Trading (as licensee)

Nature of the transaction:

Pursuant to the Brand License Agreement, the SharkNinja Group will grant to the Group the non-exclusive rights to obtain, produce and source, and the exclusive rights to distribute and sell, SN brands of products in the Asia Pacific Region and Greater China.

Term:

The Brand License Agreement commenced on July 31, 2023 upon the completion of the Spin-off with a term of 20 years. Given the importance of the exclusive license for SN brands of products to be marketed and sold in Asia Pacific Region and Greater China markets, it is crucial for the Group to secure stable access to SN brands for as long a term as it can negotiate in order to generate associated revenue and cash flows from such sales. The 20-year term provides certainty, comfort and protection to the Group, enabling the parties to plan and invest over the longer term, and also help foster and maintain a stable and collaborative relationship between the two groups in the long term.

As required by Rule 14A.52 of the Listing Rules, the period for the agreement for the continuing connected transactions must not exceed three years, except in cases where the nature of the transaction requires the agreement to be of a duration longer than three years. The Brand License Agreement was entered into on normal commercial terms and the licensed brands and intellectual properties are necessary for the Group's business operations and a longer duration of the agreement will avoid any unnecessary business interruption and help ensure the long-term development and continuity of the Group's business.

Reasons and benefits for the Brand License Agreement

The licensing arrangements will enable the Group to obtain long term exclusive rights to distribute and sell SN brands of products in the Asia Pacific Region and Greater China markets (the "SN APAC Business"), and would allow the Group to enjoy all material benefits from the license and use of the "Shark" and "Ninja" brands, and to develop its business and reputation through distributing SN brands of products in Asia Pacific Region and Greater China markets. In addition, the licensing arrangement will enable the SharkNinja Group to benefit from the Group's use of and development of reputation for the brands on its products offered to the Asia Pacific Region and Greater China markets, and therefore enhancing the "Shark" and "Ninja" presence, brand recognition, and market penetration in these regions, which will in turn enable the SharkNinja Group to leverage the local strength of the "Shark" and "Ninja" brands (and brands of products) in the Asia Pacific Region and Greater China markets and capitalize on a stronger global brand to further entrench and grow its position in North America, Europe and other international markets, creating a reinforcing "halo effect" for all geographical regions in which the "Shark" and "Ninja" brands are present. The SharkNinja Group will also receive more royalties if its sale of SN brands of products in the Asia Pacific Region and Greater China markets grows. As such, the SharkNinja Group has a strong and direct incentive to ensure the success of the Group for its sales of SN brands of products in Asia Pacific Region and Greater China markets.

Pricing policies:

The Group shall pay to the SharkNinja Group a license royalty, which is currently expected to be approximately 3% of net sales of SN brands of products in Asia Pacific Region and Greater China markets as determined among the respective parties on an arm's length basis, subject to adjustments from time to time upon arm's length negotiations between the SharkNinja Group and the Group.

Historical Amount

The Company did not incur historical amount under the Brand License Agreement.

Proposed Annual Cap

The estimated annual cap for the Brand License Agreement from July 31, 2023 to December 31, 2023 is US\$3.0 million, which was principally determined based on:

- (i) the expected sales amount generated from the sale of SN brands of products in the Asia Pacific Region and Greater China markets in 2023; and
- (ii) the expected positioning of the relevant SN brands of product in the end-market of the Asia Pacific Region and Greater China markets and the estimated duration such products have been present in the Asia Pacific Region and Greater China markets and the product introduction strategy.

Considering the long term nature of the Brand License Agreement and various factors which may impact sales amount generated from the sales of SN brands of products, the Company targets to set and disclose the annual cap for the transactions under the Brand License Agreement per annum, and will comply with the applicable reporting, announcement, circular and shareholders' approval requirements (if applicable) under Chapter 14A of the Listing Rules.

Listing Rule Implications

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the Brand License Agreement would be more than 0.1% but less than 5%, the transactions contemplated under the Brand License Agreement are subject to the reporting and announcement requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, as the term of the Brand License Agreement exceeds three years, the Company has appointed Gram Capital to explain why a term longer than three years is required and to confirm that it is a normal business practice for agreements of this type to be of such duration.

Opinions from the Independent Financial Adviser

In assessing the reasons for the duration of the Brand License Agreement to be longer than three years, Gram Capital considered the following factors:

- After completion of the Spin-off, the SharkNinja Group is engaged in sales of SN brands of products in North America, Europe, and other international markets while the Group is engaged in, among others, the SN APAC Business, it is essential for the Group to enjoy the benefits from the licensing and the use of the SN brands and to develop its business and reputation through distributing SN brands of products in the Asia Pacific Region and Greater China.
- Given the importance of the exclusive license for SN brands of products to be marketed and sold in the Asia Pacific Region and Greater China, it is crucial for the Group to secure stable access to SN brands for as long a term as it can negotiate in order to generate associated revenue and cash flows from such sales. It would be unduly burdensome and would add unnecessary administration costs for a renewal of the Brand License Agreement every three years or less to avoid temporary disruption of the Group's SN APAC Business.
- The 20-year term provides certainty, comfort and protection to the Group, enabling the parties (i.e. the Group and the SharkNinja Group) to plan and invest over the longer term, and also help foster and maintain a stable and collaborative relationship between the two groups in the long term.

In considering whether it is normal business practice for agreements of similar nature to the Brand License Agreement with duration of more than three years, Gram Capital identified eight continuing connected transactions in respect of brand/trademark licensing as announced by listed companies in Hong Kong which engage in the sale of brands of products or the operation of branded businesses (“**Comparable Transactions**”). The duration(s) of:

- (i) one of the Comparable Transactions was three years and may be renewed automatically until terminated;

- (ii) five of the Comparable Transactions ranged from five to 50 years, while four of which may be automatically renewed for additional period of one year to 50 years; and
- (iii) two of the Comparable Transactions were either indefinite or perpetual.

The duration of the Brand License Agreement is within the above range of durations of the Comparable Transactions.

Taking into account of the above, Gram Capital confirms that the duration of the Brand License Agreement, which is longer than three years, is required and it is normal business practice for agreements of this type to be of such duration.

(4) PRODUCT DEVELOPMENT AGREEMENT

Date of agreement:

July 29, 2023 (New York time)/July 30, 2023 (Hong Kong time)

Parties:

SharkNinja Europe (as seller) and JS Global Trading (as buyer)

Nature of the transaction:

Pursuant to the Product Development Agreement, the Group will engage the SharkNinja Group to develop market tailored products for Asia Pacific Region and Greater China markets, and provide certain related business support services, for which the SharkNinja Group will charge service fees to the Group.

Term:

The initial term of the Product Development Agreement is three years from July 31, 2023 upon the completion of the Spin-off, subject to renewal upon mutual consent of both parties.

Reasons and benefits for the Product Development Agreement

Prior to the completion of the Spin-off, SharkNinja Group has accumulated experience in manufacturing, sales and marketing SN brands of products in the Asia Pacific Region and Greater China markets. The Product Development Agreement enables the Group to leverage the SharkNinja Group's extensive experience in the development of similar SN brand of products for the purpose of developing market tailored SN brand of products for Asia Pacific Region and Greater China markets.

Pricing policies:

The service fee to be charged by the SharkNinja Group to the Group under the Product Development Agreement shall be determined between the Group and the SharkNinja Group on normal commercial terms after arm's length negotiations on a cost-plus basis, taking into consideration the number of products to be developed by the SharkNinja Group, the cost to be borne by the development personnel of the SharkNinja Group with a reasonable profit margin and the prevailing market rate for providing similar services by SharkNinja Group.

Historical Amount

The Company did not incur historical amount under the Product Development Agreement.

Proposed Annual Caps

	From July 31, 2023 to December 31, 2023	For the year ending December 31, 2024	For the year ending December 31, 2025
		<i>(US\$ million)</i>	
Annual Caps	0.5	1.0	1.0

The annual caps for each year/period comprising the period from July 31, 2023 till the end of 2025 for the Product Development Agreement are principally determined based on:

- (i) the expected sales amount of the SN brands of products tailor-made by the SharkNinja Group for the sales in Asia Pacific Region and Greater China markets by the Group; and
- (ii) the estimated cost to be borne by the development personnel of the SharkNinja Group for the provision of products and services by the SharkNinja Group.

The Company will comply with applicable reporting, announcement, circular and shareholders' approval requirements (if applicable) under Chapter 14A of the Listing Rules when the Product Development Agreement is renewed, the arrangements under the Product Development Agreement are revised, or any annual cap beyond 2025 is determined.

Listing Rule Implications

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the Product Development Agreement would be more than 0.1% but less than 5%, the transactions contemplated under the Product Development Agreement are subject to the reporting and announcement requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(5) TRANSITION SERVICES AGREEMENT

Date of agreement:

July 29, 2023 (New York time)/July 30, 2023 (Hong Kong time)

Parties:

SharkNinja (as seller) and JS Global Trading (as buyer)

Nature of the transaction:

Pursuant to the Transition Services Agreement, the SharkNinja Group will provide certain transition services, including various information technology and back-office services as well as limited and shorter-term front-office services to the Group to facilitate the Group's business operations of SN brands of products in the Asia Pacific Region and Greater China markets.

Term:

The initial term of the Transition Services Agreement is two years from July 31, 2023 upon the completion of the Spin-off.

Reasons and benefits for the Transition Services Agreement

Prior to the completion of the Spin-off, SharkNinja Group has been managing the manufacturing, sales and marketing SN brands of products in both the North America, Europe, and other international markets, as well as Asia Pacific Region and Greater China markets. The Transition Services Agreement enables the Group to leverage the SharkNinja Group's extensive experience in the administration for the sales of SN brands of products in the Asia Pacific Region and Greater China markets, especially the information technology, other back-office and front-office administration. The transactions under the Transition Services Agreement would be a transitional arrangement while the Group gears up its own capability on the management and administration for the sale of SN brands of products in the Asia Pacific Region and Greater China markets.

Pricing policies:

Pursuant to the Transition Services Agreement, the Group shall pay to the SharkNinja Group US\$3 million per annum, which was determined among the Group and the SharkNinja Group on normal commercial terms after arm's length negotiations between the relevant parties taking into account the scope of work and required level of services to be provided by the SharkNinja Group to the Group.

Historical Amount

The Company did not incur historical amount under the Transition Services Agreement.

Proposed Annual Caps

	From July 31, 2023 to December 31, 2023	For the year ending December 31, 2024	For the seven months ending July 31, 2025
Annual Caps	1.25	3	1.75

(US\$ million)

The annual caps for the Transition Services Agreement are principally determined based on the consideration of US\$3 million per annum agreed between the Group and the SharkNinja Group taking into consideration the scope of work and required level of services to be provided by the SharkNinja Group to the Group in the next two years.

Listing Rule Implications

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the Transition Services Agreement would be more than 0.1% but less than 5%, the transactions contemplated under the Transition Services Agreement are subject to the reporting and announcement requirements, but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DIRECTORS' CONFIRMATION

SharkNinja is owned as to over 40% by JS Holding, which is owned by certain of our Controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom is an executive Director) upon the completion of the Spin-off and the Distribution. Each of Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling has abstained from voting at the Board meeting approving the continuing connected transactions. Save as disclosed above, none of the Directors have any material interest in the continuing connected transactions nor was required to abstain from voting on the relevant Board resolutions.

The Directors, including the independent non-executive Directors, consider that the continuing connected transactions have been conducted in the ordinary and usual course of business of the Group, are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Company Shareholders as a whole.

INTERNAL CONTROL MEASURES

The Company has adopted the following internal control measures to ensure that the transactions contemplated under the above continuing connected transactions are on normal commercial terms and in the interests of the Company and the Company Shareholders as a whole:

- (i) the Company has adopted and implemented a management system on connected transactions. Under such system, the audit committee is responsible for conducting reviews on compliance with relevant laws, regulations, the Company's policies and the Listing Rules in respect of the connected transactions. In addition, the audit committee, the Board and various other internal departments of the Company (including but not limited to the finance department and compliance and legal department) are jointly responsible for evaluating the terms under the framework agreements for connected transactions, in particular, with respect to the fairness of the pricing policies and annual cap under each agreement;
- (ii) the audit committee, the Board and various other internal departments of the Company also regularly monitor the fulfillment status and the transaction updates under the agreements. In addition, the management of the Company also regularly reviews the pricing policies of the agreements;
- (iii) the Company's independent non-executive Directors and auditors will conduct annual reviews of the continuing connected transactions under the framework agreements and provide annual confirmations to ensure that, pursuant to Rules 14A.55 and 14A.56 of the Listing Rules, the transactions are conducted in accordance with the terms of the agreements, on normal commercial terms and in accordance with the relevant pricing policies;

- (iv) when considering fees for the products and services to be charged by the Group to the connected persons or by the connected persons to the Group, the Group will constantly research prevailing market conditions and practices and make reference to the pricing and terms between the Group and independent third parties for similar transactions, to ensure that the pricing and terms offered by the connected persons from mutual commercial negotiations (as the case may be) are fair, reasonable and are no less favorable than those to be offered by independent third parties; and
- (v) when considering any renewal or revisions to the framework agreements, the interested Directors and Company Shareholders shall abstain from voting on the resolutions to approve such transactions at board meetings or shareholders' general meetings (as the case may be), and the independent non-executive Directors and independent Company Shareholders have the right to consider if the terms of the non-exempt continuing connected transactions (including the proposed annual cap) are fair and reasonable, on normal commercial terms and in the interests of the Company and the Company Shareholders as a whole. If the independent non-executive Directors' or independent Company Shareholders' approvals cannot be obtained, the Company will not continue the transactions under the framework agreement(s) to the extent that they constitute non-exempt continuing connected transactions under the Listing Rules.

INFORMATION OF THE PARTIES

Information of the Company

The Company is incorporated in the Cayman Islands with limited liability, principally engaged in the provision of small household appliances.

Information of SharkNinja

Each of SharkNinja HK and SharkNinja Europe is a wholly-owned subsidiary of SharkNinja. The SharkNinja Group, taken as a whole, is a global product design and technology company that creates 5-star rated lifestyle solutions through innovative products for consumers around the world. SharkNinja was listed on New York Stock Exchange on July 31, 2023 (ticket: SN). The SharkNinja Group is engaged in sales of SN brands of products in North America, Europe and other international markets.

Information of JS Global Trading

JS Global Trading is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong. It is principally engaged in supply chain management and consultancy of home appliance products.

Information of Joyoung Entities

Each of the Joyoung Entities is a subsidiary of Joyoung. Joyoung is an indirect non-wholly owned subsidiary of the Company incorporated in the PRC with limited liability, whose A shares are listed on the Shenzhen Stock Exchange (Stock Code: 002242). It is principally engaged in the manufacture and sale of home appliance products, housing leasing, advertising and consultancy.

EGM

The Company intends to submit the relevant resolution to the EGM to seek Independent Company Shareholders' approval on the Sourcing Services Agreement – JS Global and Sourcing Services Agreement – Joyoung. SharkNinja is owned as to over 40% by JS Holding, which is owned by certain of our Controlling Shareholders (including Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling, each of whom is an executive Director), upon the completion of the Spin-off and the Distribution. In addition, Mr. Wang Xuning also indirectly through Sol SPC holds 9.54% shares of the Company. As such, each of Mr. Wang Xuning, Ms. Han Run, Ms. Huang Shuling, JS Holding, Sol SPC and their respective associates will abstain from voting with respect to the relevant resolution at the EGM. As at the date of this announcement, to the best knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Company Shareholders will be required to abstain from voting in respect of the relevant resolution.

An Independent Board Committee, comprising of all of the independent non-executive Directors, will be established to advise the Independent Company Shareholders in relation to the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung. The Company has appointed Gram Capital to advise the Independent Board Committee and the Independent Company Shareholders regarding the same matters.

A circular containing, among others, (1) details of the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung; (2) the letter from the Independent Board Committee to the Independent Company Shareholders; (3) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Company Shareholders; and (4) a notice convening the EGM will be despatched to the Company Shareholders in due course.

DEFINITIONS

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

“Asia Pacific Region”	includes but not limited to Australia, India, Indonesia, Japan, Republic of Korea, New Zealand, Singapore, Thailand, Vietnam and other countries of Association of Southeast Asian Nations
“Board”	the board of Directors
“Brand License Agreement”	the brand license agreement entered into between SharkNinja Europe and JS Global Trading
“Company”	JS Global Lifestyle Company Limited, an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Company Shareholders”	the shareholders of the Company
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Distribution”	the demerger of SharkNinja from the Company through a distribution in specie of all of the Company’s shares held in SharkNinja to all the Company Shareholders as of July 4, 2023, on a pro-rata basis
“EGM”	the extraordinary general meeting to be held by the Company
“Greater China”	includes Mainland China, Hong Kong, the Macau Special Administrative Region and Taiwan
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the Independent Board Committee of the Company comprising all independent non-executive Directors independent from related matters to advise Independent Company Shareholders in respect of the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung
“Independent Financial Adviser” or “Gram Capital”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance, (Chapter 571 of the Laws of Hong Kong), acting as the independent financial adviser to advise (i) the Company in respect of the duration of the Brand License Agreement; and (ii) the Independent Board Committee and the Independent Company Shareholders in respect of the terms of Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung
“Independent Company Shareholders”	Company Shareholder(s) who is/are not required to abstain from voting on the resolution to be proposed at the EGM to approve the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung

“Joyoung”	Joyoung Co., Ltd. (九陽股份有限公司), an indirect non-wholly owned subsidiary of the Company incorporated in the PRC with limited liability, whose A shares are listed on the Shenzhen Stock Exchange (Stock Code: 002242)
“Joyoung Entities”	Joyoung Holdings (Hong Kong) Limited, Hangzhou Jiuchuang Household Electric Appliances Co., Ltd. and Hangzhou Joyoung Household Electric Appliances Co., Ltd., each of which is a subsidiary of Joyoung
“JS Global Trading”	JS Global Trading HK Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with limited liability
“JS Holding”	JS Holding Limited Partnership, an exempted limited partnership registered under the laws of Cayman Islands (formerly known as Hezhou Limited Partnership)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“OEM”	original equipment manufacturer
“PRC”	the People’s Republic of China
“Product Development Agreement”	the product development agreement entered into between SharkNinja Europe and JS Global Trading
“Spin-off”	the separate listing of the shares of SharkNinja on the New York Stock Exchange
“SharkNinja”	SharkNinja, Inc, an exempted limited liability company incorporated in the Cayman Islands and the demerger entity in the Spin-off, which is listed on the New York Stock Exchange (ticket: SN)

“SharkNinja Europe”	SharkNinja Europe Ltd, a private limited company incorporated under the laws of England and Wales
“SharkNinja Group”	SharkNinja and its subsidiaries
“SharkNinja HK”	SharkNinja (Hong Kong) Company Limited, a private company limited by shares incorporated in Hong Kong
“Sourcing Services Agreement – Joyoung”	the sourcing services agreement entered into between SharkNinja HK and Joyoung Entities
“Sourcing Services Agreement – JS Global”	the sourcing services agreement entered into between SharkNinja HK and JS Global Trading
“Sol SPC”	Sol Omnibus SPC, a segregated portfolio company incorporated under the laws of Cayman Islands
“Transition Services Agreement”	the transition services agreement entered into between SharkNinja and JS Global Trading
“US\$”	U.S. dollar(s), the lawful currency of the U.S.

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

Hong Kong, July 31, 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. WANG Xuning, Ms. HAN Run and Ms. HUANG Shuling as executive directors, Mr. Stassi Anastas ANASTASSOV as non-executive director and Mr. Yuan DING, Mr. YANG Xianxiang and Mr. SUN Zhe as independent non-executive directors.