
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in JS Global Lifestyle Company Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 4 to 17 of this circular and a letter of recommendation from the Independent Board Committee to the Independent Shareholders is set out on pages 18 to 19 of this circular. A letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 35 of this circular.

A notice convening the EGM of the Company to be held at Conference Room, 3/F, Brand Hall, Joyoung Innovation Industrial Park, No. 760, Yin Hai Street, Qiantang District, Hangzhou, Zhejiang Province, China on 9 October 2023 at 9:30 a.m. is set out on pages 46 to 47 of this circular. A form of proxy for use at the EGM is also sent to the Shareholders together with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jsgloballife.com).

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM (i.e. 7 October 2023 at 9:30 a.m.) or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) thereof if you so desire.

Hong Kong, 18 September 2023

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DEFINITIONS

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

“Articles”	the articles of association of the Company
“Board”	the board of the Directors
“Company” or “JS Global”	JS Global Lifestyle Company Limited, an exempted limited liability company incorporated in the Cayman Islands on July 26, 2018, with its shares listed on the Main Board of the Stock Exchange
“Controlling Shareholders”	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 Shareholders as of July 4, 2023, on a pro-rata basis
“EGM”	the extraordinary general meeting of the Company to be held at Conference Room, 3/F, Brand Hall, Joyoung Innovation Industrial Park, No. 760, Yinhai Street, Qiantang District, Hangzhou, Zhejiang Province, China on 9 October 2023 for the purpose of considering and, if thought fit, approving the matters referred to in this circular
“Greater China”	includes Mainland China, Hong Kong, Macau Special Administrative Region and Taiwan
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors established by the Company to advise the Independent Shareholders in respect of the terms of the Proposal, and the transactions contemplated under the Brand Licensing Framework Agreement

DEFINITIONS

“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 SFO, acting as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Sourcing Services Agreement – JS Global and Sourcing Services Agreement – Joyoung
“Independent Shareholders”	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), a company incorporated in Mainland China on July 8, 2002, whose A shares are listed on the Shenzhen Stock Exchange and a subsidiary of the Company. As of the date of this circular, the Company holds approximately 67% equity interests in Joyoung
“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
“Joyoung Group”	Joyoung and its subsidiaries
“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 (as amended from time to time)
“Latest Practicable Date”	13 September 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share(s)”	the ordinary share(s) of US\$0.00001 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Spin-off”	the separate listing of the shares of SharkNinja on the New York Stock Exchange
“SharkNinja”	SharkNinja, Inc., an exempted 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 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 – JS Global”	the sourcing services agreement entered into between SharkNinja HK and JS Global Trading
“Sourcing Services Agreement – Joyoung”	The sourcing services agreement entered into between SharkNinja HK and Joyoung Entities
“Sol SPC”	Sol Omnibus SPC, a segregated portfolio company incorporated under the laws of Cayman Islands
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto in the Listing Rules
“U.S.”	The United States of America
“US\$”	U.S. dollar(s), the lawful currency of the U.S.
“%”	Percent

LETTER FROM THE BOARD



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)

Directors

Executive Directors

Mr. WANG Xuning

Ms. HAN Run

Ms. HUANG Shuling

Non-executive Directors

Mr. Stassi Anastas ANASTASSOV

Independent Non-executive Directors

Mr. Yuan DING

Mr. YANG Xianxiang

Mr. SUN Zhe

Registered Office

Maples Corporate Services Limited

PO Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

Head Office and Principal Place of Business

21/F

238 Des Voeux Road Central

Sheung Wan

Hong Kong

Principal Place of Business in Hong Kong

21/F

238 Des Voeux Road Central

Sheung Wan

Hong Kong

18 September 2023

To the Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS –
(1) SOURCING SERVICES AGREEMENT – JS GLOBAL;
(2) SOURCING SERVICES AGREEMENT – JOYOUNG
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the announcement of the Company dated 31 July 2023 in relation to, among other things, the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among others: (i) further details of the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung; (ii) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

Ordinary resolutions will be proposed at the EGM to approve the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung.

2. CONTINUING CONNECTED TRANSACTION

2.1. Sourcing Services Agreement – JS Global

Date of agreement

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

Parties

(1) Seller: JS Global Trading

(2) Buyer: SharkNinja HK

Term

The Sourcing Services Agreement – JS Global has an initial term with effect on 31 July 2023 upon the completion of the Spin-off and will expire on 30 June 2025, subject to the Independent Shareholders' approval at the EGM. As detailed below, the Group historically charged sourcing fee from the SharkNinja Group for providing value-added sourcing services to the SharkNinja Group over a transitional period after the Spin-off, and such transactions became continuing connected transactions of the Company following the completion of the Spin-off. Before the Independent Shareholders' approval at the EGM, the Group will continue to charge sourcing service fee from the SharkNinja Group based on existing specific agreements.

Principal terms

The Seller entered into the Sourcing Services Agreement – JS Global with the Purchaser, pursuant to which 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**”).

LETTER FROM THE BOARD

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. As the SharkNinja Group is aiming to establish its own sourcing platform, it would take some time for the SharkNinja Group to connect with local OEM suppliers to source all its products independently and directly. 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 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 determined after arm's length negotiations between the parties and 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 31 July 2023 till the end of the first half of 2024, during which the Group will provide SharkNinja Group the following services to facilitate its establishment of its own sourcing capabilities, including but not limited to (i) managing the relationship with OEM suppliers; (ii) negotiating written agreements with OEM suppliers; (iii) overseeing production planning and inventory and capacity management with respect to the SN brands of products to be procured by the SharkNinja Group from OEM suppliers; (iv) facilitating the procedure of supply from OEM suppliers to the SharkNinja Group; and (v) assisting the SharkNinja Group in developing relationships with new OEM suppliers. Such 4% service fee rate during the period above was determined with reference to the mark-up rates historically charged by the Group (through its sourcing offices) to the SharkNinja Group.

LETTER FROM THE BOARD

Alongside the SharkNinja Group's gear up of its capabilities to conduct sourcing activities independently, the service fee rate to be charged by the Group is expected to decrease to approximately 2% of the Procurement Amount in the second half of 2024, during which the SharkNinja Group will start to take over the oversight of production development and management, supplier inventory management and coordination of product planning, and will start to conduct sourcing for its new products without support or services from the Group. Such 2% service fee rate during this period was determined taking into consideration the Group's decreasing involvement in the SharkNinja Group's sourcing activities.

The service fee rate will further decrease to 1% of the Procurement Amount in the first half of 2025 during which the SharkNinja Group is expected to have a full functional sourcing team which is able to conduct new sourcing activities with OEM suppliers independently from the Group, and the Group will only provide ad hoc assistance on historical sourcing transactions between the SharkNinja Group and OEM suppliers. Such 1% service fee rate during this period was determined with reference to the limited scope of service to be provided by the Group to the SharkNinja Group, i.e., ad hoc assistance on historical sourcing transactions.

Historical amount

Historically, there were two sourcing offices within the Group under JS Global Trading and SharkNinja HK, respectively, 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 trading arrangements (i.e. buy and sale) with a mark-up rate charged by the two sourcing offices, pursuant to which the revenue of the two sourcing offices was recognized by JS Global Trading and SharkNinja HK, respectively, and 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 fee 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 any service fee under the Sourcing Services Agreement – JS Global. For the three years ended 31 December 2022, the net mark-up fee charged by the two sourcing offices of the Group to the SharkNinja Group amounted to US\$69.5 million, US\$116.0 million and US\$99.3 million, respectively, based on the gross mark-up rates charged by the sourcing offices of the Group ranging from 7.0% to 7.5% of SharkNinja's purchase amount from the two sourcing offices, partially offset by the costs incurred by the Group for coordination and management at operational level with OEM suppliers, which accounted for approximately 3.0% of SharkNinja's purchase amount. Such historical mark-up rates were determined with reference to (i) the types and amount of products procured, (ii) fee to be charged by OEM suppliers, and (iii)

LETTER FROM THE BOARD

cost of labor incurred by the Group for coordination and management at operational level with OEM suppliers. Alongside the SharkNinja's Group's gear up of its capabilities to conduct sourcing activities independently, the Group will also narrow the scope of sourcing services to the SharkNinja Group and the service provided by the Group with respect to the coordination and management at operational level with OEM suppliers was discontinued upon the completion of the Spin-off.

Proposed annual caps and basis of determination

	From 31 July 2023 to 31 December 2023	For the year ending 31 December 2024	For the six months ending 30 June 2025
		<i>(US\$ million)</i>	
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 the markup fees charged by the two sourcing offices of the Group to the SharkNinja Group for the three years ended 31 December 2022;
- (ii) it is currently expected that after the completion of the Spin-off, SharkNinja Group will focus more on its international business and therefore the procurement amount charged by OEM suppliers from markets other than North America and European markets is also expected to increase significantly. In light of the above, the annual cap for the service fee to be charged by the Group to the SharkNinja Group from 31 July 2023 to 30 June 2025 have taken into consideration such expected increase, as well as based on the markup rates to be charged by of the Group from 2023 to 2025 as detailed above; and
- (iii) the decline trend of JS Global Transitional Sourcing Services alongside the SharkNinja Group's gearing up of its capabilities to conduct sourcing activities independently, which is resulted from the different service fee rates to be charged by the Group from the SharkNinja Group during the respective periods from 2023 to 2025.

LETTER FROM THE BOARD

Having considered the factors set out above, the Directors are of the view that the proposed annual caps for the Sourcing Services Agreement – JS Global are fair and reasonable.

2.2. Sourcing Services Agreement – Joyoung

Date

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

Parties

- (1) Seller: Joyoung Entities
- (2) Buyer: SharkNinja HK

Term

The Sourcing Services Agreement – Joyoung has an initial term of three years from 31 July 2023 upon the completion of the Spin-off, subject to the Independent Shareholders' approval at the EGM. As detailed below, Joyoung Group historically charged sourcing fee from the SharkNinja Group for the products sourced by Joyoung Group, and such transaction became continuing connected transactions of the Company following the completion of the Spin-off. Before the Independent Shareholders' approval at the EGM, the Joyoung Group will continue to charge sourcing fee from the SharkNinja Group based on existing specific agreements.

Principal terms

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. Joyoung Group will either manufacture and sell such SN brands of products to the SharkNinja Group directly, or procure from OEM suppliers SN brands of products and then sell to the SharkNinja Group.

LETTER FROM THE BOARD

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 fee for SN brands of products manufactured by the Joyoung Group or its OEM suppliers, being the wholesale prices plus a mark-up rate of 6%. Such mark-up rate for the sourcing fee 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 ranging from 4% to 6% since 2021 charged by the Joyoung Group to the SharkNinja Group for the manufacturing, or procuring OEM suppliers to manufacture, certain SN brands of cooking appliances, food preparation appliances and floorcare products, taking into account the manufacturing costs incurred by the Joyoung Group or its OEM suppliers and the technologies applied in manufacturing. In particular, the Joyoung Group has been assisting the SharkNinja Group on the negotiation and coordination with OEM suppliers directly under the Sourcing Services Agreement – Joyoung. Meanwhile, it is expected to be an increase in the procurement amount and the categories of the SN brands of products by the SharkNinja Group from the Joyoung Group or the OEM suppliers it engaged. Therefore, the current 6% mark-up rate to be charged by Joyoung Group were determined through parties' arm's length negotiations with the SharkNinja Group taking into consideration the recent development of the transactions; and (ii) the estimated cost and expense for the Joyoung Group to manufacture, or procured OEM suppliers to manufacture the SN brands of products under the Sourcing Services Agreement – Joyoung, including prices of components and new materials, depreciation of manufacturing facilities, and cost of labor employed in the manufacturing.

LETTER FROM THE BOARD

The pricing mechanism for transactions under the Sourcing Services Agreement – Joyoung and the Sourcing Services Agreement – JS Global vary from each other, primarily due to the different transaction nature of the two sourcing agreements. With respect to the Sourcing Services Agreement – JS Global, the Group provided transitional value-added services to the SharkNinja Group to assist the SharkNinja Group in establishing its own sourcing capabilities, and charge SharkNinja Group service fees; while under the Sourcing Services Agreement – Joyoung, the transactions were in trading nature, i.e. Joyoung will manufacture, or procure OEM suppliers to manufacture SN brands of products and then sell to the SharkNinja Group, and charge SharkNinja Group the total procurement amount with mark-up fees.

Historical Amount

	For the year ended 31 December 2020	For the year ended 31 December 2021	For the year ended 31 December 2022
		<i>(US\$ million)</i>	
Transaction amount	108.3	183.3	172.7

Proposed annual cap and basis of determination

The estimated annual cap for the Sourcing Services Agreement – Joyoung from 31 July 2023 to 31 December 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 with respect to the sourcing arrangement. In particular, for the six months ended 30 June 2020, 2021 and 2022, the transaction amounts amounted to US\$13.0 million, US\$81.8 million and US\$79.2 million, respectively, while the transaction amount for the six months ended 30 June 2023 was approximately US\$120 million, significantly higher than the historical amount in corresponding historical periods with an increase rate of over 50%. In addition, as illustrated above, the transaction amount between the SharkNinja Group and the Joyoung Group were typically higher in the second half of the year because most of the promotion activities for kitchen products sourced from Joyoung Group and/or its OEM suppliers engaged by the Joyoung Group were in the second half of the year, and such trend is expected to continue in the second half of 2023;

LETTER FROM THE BOARD

- (ii) the expected increase in procurement amount by the SharkNinja Group as a result of (a) the expected growth of recognition and consumer base expansion of the SharkNinja brand as a result of the increasing advertising and promotion activities by the SharkNinja Group. The sales and marketing expenses incurred by the SharkNinja Group for the six months ended 30 June 2023 increased by over 30% as compared to the corresponding period in 2022. In particular, it is expected that there is an increasing demand for, among others, air-fryers by the SharkNinja Group in the United Kingdom and Europe markets. Accordingly, it is also expected that the customers will have increasing demand for other products of SharkNinja, such as cooking appliances, food preparation appliances and floorcare products; and (b) the expected increase in product categories of SN brands of products to be sourced from the Joyoung Group and its OEM suppliers as a result of the increasing R&D efforts of the SharkNinja Group. The R&D expenses incurred by the SharkNinja Group for the six months ended 30 June 2023 increased by approximately 13% as compared to the corresponding period in 2022; and
- (iii) the estimated increase in the cost of materials and labor for the provision of products and services by the Joyoung Group and/or the OEM suppliers engaged by the Joyoung Group. As disclosed in the annual report of the Group, the cost of sales under the SharkNinja segment increased from US\$1,467.8 million in 2020 to US\$2,260.5 million in 2022. Such increasing trend is expected to continue for the year ending December 31, 2023.

Having considered the factors set out above, the Directors are of the view that the proposed annual cap for the Sourcing Services Agreement – Joyoung is fair and reasonable.

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.

LETTER FROM THE BOARD

3. INFORMATION OF THE PARTIES

Information of the Company

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

Information of SharkNinja HK

SharkNinja HK 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 31 July 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.

LETTER FROM THE BOARD

4. INTERNAL CONTROL MEASURES

The Company has adopted the following internal control measures to ensure that the transactions contemplated under the Sourcing Services Agreement – JS Global and Sourcing Services Agreement – Joyoung are on normal commercial terms and in the interests of the Company and the 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

LETTER FROM THE BOARD

- (v) when considering any renewal or revisions to the framework agreements, the interested Directors and 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 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 Shareholders as a whole. If the independent non-executive Directors' or Independent 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.

5. LISTING RULES IMPLICATIONS

SharkNinja HK is wholly owned by SharkNinja, which will be owned as to over 40% by JS Holding, which is owned by the 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. Pursuant to Chapter 14A of the Listing Rules, SharkNinja HK is a connected person of the Company. Accordingly, each of the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung constitutes continuing connected transactions of the Company 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 the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung would be more than 5%, the transactions contemplated under both the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

6. EGM

The EGM will be held at Conference Room, 3/F, Brand Hall, Joyoung Innovation Industrial Park, No. 760, Yin Hai Street, Qiantang District, Hangzhou, Zhejiang Province, China on 9 October 2023 at 9:30 a.m. to consider and, if thought fit, approve, among other matters, the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung.

LETTER FROM THE BOARD

Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjourned meeting (as the case may be) should you so wish.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at the EGM must be taken by poll. The Chairman of the EGM will demand a poll for the resolution to be proposed at the EGM in accordance with the Articles. The results of the voting will be announced in accordance with Rule 2.07C of the Listing Rules after conclusion of the EGM.

SharkNinja is owned as to over 40% by JS Holding, which is owned by the 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, JS Holding, Sol SPC and their respective associates will abstain from voting with respect to the relevant resolution at the EGM. As of the Latest Practicable Date, to the best knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the relevant resolution.

Given the interest of Mr. Wang Xu Ning, Ms. Han Run and Ms. Huang Shuling in the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung, Mr. Wang Xu Ning, Ms. Han Run and Ms. Huang Shuling abstained from voting at the Board meeting approving the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung. Save as disclosed above, none of the Directors have any material interest in the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung and none were required to abstain from voting on the relevant Board resolution.

7. RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee set out on pages 18 to 19 of this circular.

The Directors (excluding the independent non-executive Directors) are of the view that the proposals on the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung are fair and reasonable so far as the Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

An Independent Board Committee has been formed to advise the Independent Shareholders in connection with the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung.

The Independent Board Committee considers that the transactions contemplated under the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Independent Board Committee recommends that the Independent Shareholders vote in favour of the relevant resolution in the EGM held to consider and if thought fit, to approve the transactions contemplated under the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung.

8. ADDITIONAL INFORMATION

This circular is being distributed to the Shareholders. This circular does not constitute an offer or invitation to subscribe for or purchase any securities nor is it calculated to invite any such offer or invitation. Neither this circular nor anything contained herein shall form the basis of any contract or commitment whatsoever.

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

Yours faithfully,
By Order of the Board
JS Global Lifestyle Company Limited
WANG Xuning
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

18 September 2023

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS –
(1) SOURCING SERVICES AGREEMENT – JS GLOBAL;
(2) SOURCING SERVICES AGREEMENT – JOYOUNG
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

We refer to the circular dated 18 September 2023 issued by the Company to the Shareholders (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter, unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Independent Shareholders as a whole.

Having considered the terms of the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung and the advice of Gram Capital in relation thereto as set out on pages 20 to 35 of the Circular, we are of the view that the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung have been conducted in the ordinary and usual course of business of the Group on normal commercial terms, and the terms therein are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions regarding the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung as set out in the notice of the EGM.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Yuan DING

Mr. YANG Xianxiang

Mr. SUN Zhe

Independent non-executive Directors

LETTER FROM GRAM CAPITAL

Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions for the purpose of inclusion in this circular.



Room 1209, 12/F.
Nan Fung Tower
88 Connaught Road Central/
173 Des Voeux Road Central
Hong Kong

18 September 2023

*To: The independent board committee and the Independent Shareholders
of JS Global Lifestyle Company Limited*

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated thereunder the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung (the “**Transactions**”), details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 18 September 2023 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

On 30 July 2023 (Hong Kong time), JS Global Trading (a wholly-owned subsidiary of the Company) and SharkNinja HK entered into the Sourcing Services Agreement – JS Global, pursuant to which the Group would provide the JS Global Transitional Sourcing Services to the SharkNinja Group. The initial term of the Sourcing Services Agreement – JS Global commenced on 31 July 2023 and will expire on 30 June 2025.

On even date, Joyoung Entities (each of the Joyoung Entities is a subsidiary of Joyoung, which in turn is an indirect non-wholly owned subsidiary of the Company) and SharkNinja HK entered into the Sourcing Services Agreement – Joyoung, pursuant to which the SharkNinja Group would engage the Joyoung Group to manufacture, or procure OEM suppliers to manufacture, certain SN branded products, and source these products from Joyoung Group. The Sourcing Services Agreement – Joyoung has an initial term of three years from 31 July 2023.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, the Transactions constitute continuing connected transactions of the Company and are subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. Yuan DING, Mr. YANG Xianxiang and Mr. SUN Zhe (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Transactions are on normal commercial terms and are fair and reasonable; (ii) whether the Transactions are in the interests of the Company and the Shareholders as a whole and in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Transactions at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as independent financial adviser in respect of (i) the Spin-off and relevant continuing connected transaction of the Company (we did not issue letter of opinion in this regard as it was not required under the finalized transaction terms); and (ii) the duration of a continuing connected transaction as set out in the Company's announcement dated 31 July 2023. Notwithstanding the aforesaid past engagements, as at the Latest Practicable Date, we were not aware of any relationship or interest between Gram Capital and the Company or any other parties that could be reasonably regarded as a hindrance to Gram Capital's independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagements were only independent financial adviser engagement and will not affect our independence to act as the Independent Financial Adviser, we are of the view that we are independent to act as the Independent Financial Adviser.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt

LETTER FROM GRAM CAPITAL

the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Directors' representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Transactions. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, SharkNinja HK, or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Transactions. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources while we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

LETTER FROM GRAM CAPITAL

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

A. Background and reasons for the Transactions

Information of the Group

With reference to the Board Letter and the Company's annual report for the year ended 31 December 2022 (the "**2022 Annual Report**"), the Group is a global leader in high-quality, innovative small household appliances with a number of successful and trust brands worldwide, including Shark, Ninja and Joyoung. With reference to the Company's circular dated 5 June 2023 regarding the Spin-off and as advised by the Directors, after completion of the Spin-off on 31 July 2023, the SharkNinja Group was fully demerged and deconsolidated from the Company and the Group ceased to conduct the SN Business (as defined below) and continued to operate the Joyoung Business (as defined below) and the sales of "Shark" and "Ninja" ("**SN**") brands of products in the Asia Pacific Region and Greater China (the "**SN APAC Business**").

With reference to the Board Letter, 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.

With reference to the Board Letter, 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). Joyoung is principally engaged in the manufacture and sale of home appliance products, housing leasing, advertising and consultancy (the "**Joyoung Business**").

Information of the SharkNinja Group

With reference to the Board Letter, the SharkNinja Group 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 the New York Stock Exchange on 31 July 2023 (ticker: SN). The SharkNinja Group is engaged in the sales of SN brands of products in North America, Europe and other international markets (the "**SN Business**").

With reference to the Board Letter, SharkNinja HK is a wholly-owned subsidiary of SharkNinja. SharkNinja HK is a connected person of the Company.

LETTER FROM GRAM CAPITAL

Reasons for and anticipated benefits of the Transactions

With reference to the Board Letter, 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. As the SharkNinja Group is aiming to establish its own sourcing platform, it would take some time for the SharkNinja Group to connect with local OEM suppliers to source all its products independently and directly. 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 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.

Furthermore, 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.

Given that (i) the service fee for the JS Global Transitional Sourcing Services shall be a percentage of the Procurement Amount; (ii) the sourcing fee under the Sourcing Services Agreement – Joyoung shall be charged at a mark-up of the purchase amount; and (iii) the Group (including Joyoung Group) had been providing similar services to those contemplated under the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung prior to the Spin-off, we consider (i) the provision of JS Global Transitional Sourcing Services will allow the Group to generate revenue, while facilitating the SharkNinja Group to build its capability and capacity to carry out its own sourcing function; and (ii) the entering into of the Sourcing Services Agreement – Joyoung shall enable Joyoung Group to continue providing sourcing services to the SharkNinja Group and generate revenue.

LETTER FROM GRAM CAPITAL

In light of the above, we consider that the Transactions are conducted in the ordinary and usual course of business of the Group and are in the interest of the Company and the Shareholders as a whole.

B. Principal terms of the Sourcing Services Agreement – JS Global

Set out below are the key terms of the Sourcing Services Agreement – JS Global, details of which are set out under the section headed “2.1. Sourcing Services Agreement – JS Global” of the Board Letter:

Date

30 July 2023 (Hong Kong time)

Parties

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

Term

The Sourcing Services Agreement – JS Global has an initial term with effect on 31 July 2023 and will expire on 30 June 2025, subject to the Independent Shareholders’ approval at the EGM.

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 (i.e. the JS Global Transitional Sourcing Services).

Pricing policies and internal control measures

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 (i.e. the Procurement Amount) commencing from 31 July 2023 till the end of the first half of 2024 during which the Group will provide SharkNinja Group the following services to facilitate its establishment of its own sourcing capabilities, including but not limited to (i) managing the relationship with OEM suppliers; (ii) negotiating written agreements with OEM suppliers; (iii) overseeing production planning and inventory and capacity management with respect to the SN brands of products to be

LETTER FROM GRAM CAPITAL

procured by the SharkNinja Group from OEM suppliers; (iv) facilitating the procedure of supply from OEM suppliers to the SharkNinja Group; and (v) assisting the SharkNinja Group in developing relationships with new OEM suppliers. Such 4% service fee rate during the period above was determined with reference to the mark-up rates historically charged by the Group (through its sourcing offices) to the SharkNinja Group.

With reference to the Board Letter, the net mark-up fees charged by the sourcing offices of the Group were approximately US\$69.5 million, US\$116.0 million and US\$99.3 million for each of the three years ended 31 December 2020, 2021 and 2022, respectively, based on the gross mark-up rates ranging from 7.0% to 7.5% for the three years ended 31 December 2022, partially offset by the costs incurred by the Group for overall coordination and management with OEM suppliers. We obtained calculation of the above historical mark-up fees from the Company and noted that the net mark-up fees represented net mark-up rates ranging from approximately 4.4% to 5.5% for the three years ended 31 December 2022.

For our due diligence purpose, the Company also provided us the list of reference transactions involving provision of procurement services by independent third parties and we noted that the service fee rate of 4% is within the range of the rates for the reference transactions.

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 decrease to approximately 2% of the Procurement Amount in the second half of 2024 during which the SharkNinja Group will start to take over the oversight of production development and management, supplier inventory management and coordination of product planning, and will start to conduct sourcing for its new products without support or services from the Group. Such 2% service fee rate during this period was determined taking into consideration the Group's decreasing involvement in the SharkNinja Group's sourcing activities.

The service fee rate will further decrease to 1% of the Procurement Amount in the first half of 2025 during which the SharkNinja Group is expected to have a full functional sourcing team which is able to conduct new sourcing activities with OEM suppliers independently from the Group, and the Group will only provide ad hoc assistance on historical sourcing transactions between the SharkNinja Group and OEM suppliers. Such 1% service fee rate during this period was determined with reference to the limited scope of service to be provided by the Group to the SharkNinja Group, i.e., ad hoc assistance on historical sourcing transactions.

As illustrated above, the service fee rate to be charged by the Group is expected to decrease 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, alongside with the expected reduction of scope of services to be provided by the Group. We consider such arrangement to be reasonable.

LETTER FROM GRAM CAPITAL

With reference to the Board Letter, the Company adopted the certain internal control measures to ensure that the transactions contemplated under the Sourcing Services Agreement – JS Global are on normal commercial terms and in the interest of the Company and the Shareholders as a whole. Details of which are set out under the section headed “4. INTERNAL CONTROL MEASURES” of the Board Letter.

Having considered that (i) the audit committee, the Board and various other internal departments of the Company (including the finance department and compliance and legal department) are jointly responsible for evaluating the terms under the framework agreement for connected transaction, in particular, with respect to the fairness of the pricing policies; (ii) the management of the Company also regularly reviews the pricing policies of the agreements; and (iii) 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 fair and reasonable and are no less favourable than those to be offered by independent third parties, we consider that the internal control measures are sufficient to ensure fair pricing of the transaction contemplated under the Sourcing Services Agreement – JS Global and in compliance with its pricing policies.

Proposed annual caps

Set out below are the proposed annual caps for the transactions contemplated under the Sourcing Services Agreement – JS Global for the period from 31 July 2023 to 30 June 2025:

	From 31 July 2023 to 31 December 2023 (“Last 5M2023”) <i>US\$ million</i>	For the year ending 31 December 2024 (“FY2024”) <i>US\$ million</i>	For the six months ending 30 June 2025 (“1H2025”) <i>US\$ million</i>
Proposed annual caps	45.0	70.0	15.0

With reference to the Board Letter, 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.

LETTER FROM GRAM CAPITAL

For our due diligence purpose, we obtained from the Company a calculation of the proposed annual caps for the period from 31 July 2023 to 30 June 2025 (the “**JSG Caps Calculation**”). We noted that the estimated service fees were calculated based on (i) the estimated cost of sales (“**COS**”) of the “Shark” and “Ninja” business in aggregate (including SN Business and SN APAC Business) for the three years ending 31 December 2025; (ii) the estimated proportion of COS attributable to SN Business; (iii) the estimated proportion of COS attributable to first-half and second-half of a year; and (iv) the service fee rates applicable for different periods.

The estimated service fees for the Last 5M2023, FY2024 and 1H2025 were derived by multiplying factors (i) to (iv) above and applying number of months for each period (i.e. five months for Last 5M2023, 12 months for FY2024 and six months for 1H2025).

We consider that it is justifiable to estimate COS of the “Shark” and “Ninja” business in aggregate (including SN Business and SN APAC Business) for the three years ending 31 December 2025 as it allows direct comparison with historical figures. As noted from the 2022 Annual Report, the COS of the Group’s SharkNinja segment (which included both SN Business and SN APAC Business prior to the Spin-off) were approximately US\$2,227.8 million for the year ended 31 December 2021 (“**FY2021**”) and US\$2,260.5 million for the year ended 31 December 2022 (“**FY2022**”). We noted that the estimated COS of the “Shark” and “Ninja” business in aggregate (including SN Business and SN APAC Business) for the year ending 31 December 2023 under the JSG Caps Calculation was similar to those for FY2021 and FY2022, and moderate growth rates of approximately 5.4% and approximately 6.6% were adopted in formulating the estimated COS of the “Shark” and “Ninja” business in aggregate (including SN Business and SN APAC Business) for FY2024 and the year ending 31 December 2025, respectively. We noted from the Company’s annual report for FY2021 and the 2022 Annual Report that, the COS of the “Shark” and “Ninja” business in aggregate (including SN Business and SN APAC Business) increased by approximately 51.8% from the year ended 31 December 2020 (“**FY2020**”) to FY2021, and approximately 1.4% from FY2021 to FY2022. As advised by the Directors, the significant increase in historical COS from FY2020 to FY2021 was primarily due to higher ocean freight costs and higher commodity costs (as a result of the temporary disruption caused by the COVID-19 pandemic), and foreign currency fluctuation. As the pandemic eased off in late-2022, the Company expects that the COS of the “Shark” and “Ninja” business shall return to normalised level while the revenue of the “Shark” and “Ninja” business shall gradually increase. Accordingly, we consider the aforesaid adopted growth rates to be reasonable.

We noted from the JSG Caps Calculation that the proportion of estimated COS attributable to SN Business and SN APAC Business is 95:5. As advised by the Directors, such proportion was estimated with reference to the average historical proportion for the two years ended 31 December 2022.

LETTER FROM GRAM CAPITAL

We noted from the JSG Caps Calculation that the estimated proportion of COS attributable to first-half and second-half of the year is around 40:60. As advised by the Directors, such proportion was estimated with reference to the average historical sales proportion of “Shark” and “Ninja” brands for the two years ended 31 December 2022.

The proposed annual caps were arrived from the estimated service fees for the Last 5M2023, FY2024 and 1H2025 after incorporating buffer and top-up to cover unforeseeable circumstances which may occur throughout the term of the Sourcing Services Agreement – JS Global.

In light of the above, we consider that the proposed annual caps for the transactions contemplated under the Sourcing Services Agreement – JS Global, for the period from 31 July 2023 to 30 June 2025 is fair and reasonable.

Shareholders should note that as the proposed annual caps are relating to future events and were estimated based on assumptions which may or may not remain valid for the entire period up to 30 June 2025, and they do not represent forecasts of revenue to be generated from the transactions contemplated under the Sourcing Services Agreement – JS Global. Consequently, we express no opinion as to how closely the actual revenue to be generated from the transactions contemplated under the Sourcing Services Agreement – JS Global will correspond with the proposed annual caps.

Having considered the principal terms of the transactions contemplated under the Sourcing Services Agreement – JS Global as set out above, we consider the terms of the transactions contemplated under the Sourcing Services Agreement – JS Global (including the proposed annual caps) to be fair and reasonable.

C. Principal terms of the Sourcing Services Agreement – Joyoung

Set out below are the key terms of the Sourcing Services Agreement – Joyoung, details of which are set out under the section headed “2.2. Sourcing Services Agreement – Joyoung” of the Board Letter:

Date

30 July 2023 (Hong Kong time)

Parties

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

LETTER FROM GRAM CAPITAL

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 31 July 2023, subject to the Independent Shareholders' approval at the EGM.

Pricing policies and internal control measures

The SharkNinja Group will pay to the Joyoung Group sourcing fee for SN brands of products manufactured by the Joyoung Group or its OEM suppliers, being the wholesale price plus a mark-up rate of 6%. Such mark-up rate for the sourcing fee 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 from 4% to 6% since 2021 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, taking into account the manufacturing costs incurred by the Joyoung Group or its OEM suppliers and the technologies applied in manufacturing; and (ii) the estimated cost and expense for the Joyoung Group to conduct sourcing services under the Sourcing Services Agreement – Joyoung, including price of components and new materials, depreciation of manufacturing facilities, and cost of labor employed in the manufacturing.

We enquired into the Directors regarding the pricing policies for transactions contemplated under the Sourcing Services Agreement – Joyoung and were advised that such pricing policies are the same as those of historical sourcing transactions between SharkNinja Group and Joyoung prior to the Spin-off. For our due diligence purpose, we obtained a summary of the historical sourcing transactions for the three years ended 31 December 2022. From the aforesaid summary, we randomly selected a set of transaction records for each of the three years ended 31 December 2022 in respect of the sourcing of OEM products by SharkNinja Group from Joyoung Group and the Company provided us the same. We noted that the pricing for those sampled historical sourcing transactions were also based on a cost plus mark-up rate basis and in-line with the above-mentioned pricing policies.

With reference to the Board Letter, the Company adopted the certain internal control measures to ensure that the transactions contemplated under the Sourcing Services Agreement – Joyoung are on normal commercial terms and in the interest of the Company and the Shareholders as a whole. Details of which are set out under the section headed "4. INTERNAL CONTROL MEASURES" of the Board Letter.

LETTER FROM GRAM CAPITAL

Having considered that (i) the audit committee, the Board and various other internal departments of the Company (including the finance department and compliance and legal department) are jointly responsible for evaluating the terms under the framework agreement for connected transaction, in particular, with respect to the fairness of the pricing policies; (ii) the management of the Company also regularly reviews the pricing policies of the agreements; and (iii) 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 fair and reasonable and are no less favourable than those to be offered by independent third parties, we consider that the internal control measures are sufficient to ensure fair pricing of the transaction contemplated under the Sourcing Services Agreement – Joyoung and in compliance with its pricing policies.

Proposed annual caps

Set out below are the historical transaction amounts between the SharkNinja Group and Joyoung Group for the three years ended 31 December 2022, and the proposed annual cap for the transactions contemplated under the Sourcing Services Agreement – Joyoung for the period from 31 July 2023 to 31 December 2023:

	For the year ended 31 December 2020 <i>US\$ million</i>	For the year ended 31 December 2021 <i>US\$ million</i>	For the year ended 31 December 2022 <i>US\$ million</i>	
Historical transaction amounts	108.3	183.3	172.7	
				From 31 July 2023 to 31 December 2023 <i>US\$ million</i>
Proposed annual cap				220.0

With reference to the Board Letter, the annual cap for the Sourcing Services Agreement – Joyoung is principally determined based on (i) the historical transaction amounts between the SharkNinja Group and the Joyoung Group; (ii) the expected increase in procurement amount by the SharkNinja Group as a result of (a) the expected growth of recognition and consumer base expansion of the SharkNinja brand; and (b) the expected increase in product categories of SN brands of product to be sourced from the Joyoung Group and the OEM suppliers; and (iii) 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.

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As illustrated in the above table, the proposed annual cap for Last 5M2023 is US\$220.0 million, being substantially more than the historical transaction amount for FY2022 of US\$172.7 million. As noted from the Board Letter, the historical transaction amounts between SharkNinja Group and the Joyoung Group with respect to the sourcing arrangement were approximately US\$13.0 million, US\$81.8 million and US\$79.2 million for each of the six months ended 30 June 2020, 2021 and 2022, respectively; while the transaction amount between SharkNinja Group and the Joyoung Group with respect to the sourcing arrangement was approximately US\$120 million for the six months ended 30 June 2023, which are significantly higher than the historical amounts for the corresponding periods. Furthermore, the historical transaction amounts between SharkNinja Group and the Joyoung Group with respect to the sourcing arrangement were typically higher in the second half of the year.

To assess the fairness and reasonableness of the proposed annual cap, we obtained from the Company a calculation of the proposed annual cap and noted that the proposed annual cap was formulated based on (i) the estimated sales of OEM products by Joyoung Group to SharkNinja Group for Last 5M2023; and (ii) a buffer and top-up.

We enquired into the Directors regarding the estimated sales and were advised that such amount was determined based on SharkNinja Group's demand for Joyoung Group's OEM products, in particular, increasing demand led by (i) increase in product categories of SN brands products such as hair stylers, vacuum mops and soda maker (the "**New Products**"); and (ii) significant increase in sales of, among other things, air-fryers by SharkNinja Group in the United Kingdom ("**UK**") and Europe market.

For our due diligence purpose, we obtained from the Company a breakdown of SharkNinja Group's estimated procurement amount of SN brands main product categories ("**SN Main Products**") from Joyoung Group for the year ending 31 December 2023 ("**FY2023**"), together with comparative figures for FY2022. We noted that (i) SharkNinja Group's historical procurement amount of SN Main Products from Joyoung Group for FY2022 accounted for approximately 79% of SharkNinja Group's total procurement amount from Joyoung Group for FY2022; (ii) SharkNinja Group's procurement amount of air fryers from Joyoung Group for FY2022 accounted for approximately 69% of SharkNinja Group's total procurement amount from Joyoung Group for FY2022; and (iii) the main drivers for the estimated increase in SharkNinja Group's procurement amount of SN Main Products from FY2022 to FY2023 are (a) the estimated increase in SharkNinja Group's procurement amount of air fryers of approximately 49% for FY2023 as compared to that for FY2022 (SharkNinja Group's estimated procurement amount of air fryers accounted for approximately 54% of SharkNinja Group's estimated procurement amount of SN Main Products from Joyoung Group for FY2023); and (b) SharkNinja Group's estimated procurement of the New Products (to be included as the SN Main Products), which accounted for approximately 32% of SharkNinja Group's estimated procurement amount of SN Main Products from Joyoung Group for FY2023.

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We searched for information on air fryers market in the UK and Europe and noted from a news article titled “Air fryer sales up 3,000% as consumers seek to cut energy costs” dated 7 November 2022 (<https://www.independent.co.uk/news/uk/research-gen-z-richard-walker-sales-iceland-foods-b2219472.html>) published by the Independent (according to the website of the Independent, the Independent was established in 1986 and is the UK’s most read quality digital publisher, its editorial coverage extends across the United States and UK politics, climate, entertainment, sports and opinion in its “Voices” section, consisting of live and breaking news as well as in-depth long reads, investigations and exclusives) that the air fryers have been found to be more energy-efficient than traditional cookers and figures suggested that air fryer sales have risen by 3,000% in a year as people try to offset high fuel bills. In addition, the sales of the “Ninja AF400UK” (a model of SharkNinja Group’s air fryers) on the UK price comparison website “PriceRunner.com” have risen by more than 22,000% since October 2021.

We also noted from an article titled “Air Fryer Sales to Rocket in Europe and US in 2023 and Beyond” dated 23 March 2023 published by Dealerscope (according to the website of Dealerscope, Dealerscope is a source for business-to-business products & strategies for consumer technology retailing) that the global air fryer market is experiencing significant growth. The sales of air fryers in the UK and Europe are mainly driven by the rising energy prices. The global market of air fryer is predicted to grow at a compound annual growth rate of 7.7% to US\$1.9 billion by 2033.

The proposed annual cap was arrived from the estimated sales of OEM products by Joyoung Group to SharkNinja Group for the Last 5M2023 after incorporating a buffer (10%) and top-up (approximately US\$4 million) to cover unforeseeable circumstances which may occur during the Last 5M2023. We consider the buffer of 10% to be moderate and we also noted that it is common for Hong Kong listed companies to incorporate buffer of 10% in proposed annual caps according to their announcements/circulars regarding continuing connected transactions.

In light of the above, we consider that the proposed annual cap for the transactions contemplated under the Sourcing Services Agreement – Joyoung, for the Last 5M2023 is fair and reasonable.

LETTER FROM GRAM CAPITAL

Shareholders should note that as the proposed annual cap is relating to future events and was estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2023, and it does not represent forecasts of revenue to be generated from the transactions contemplated under the Sourcing Services Agreement – Joyoung. Consequently, we express no opinion as to how closely the actual revenue to be generated from the transactions contemplated under the Sourcing Services Agreement – Joyoung will correspond with the proposed annual cap.

Having considered the principal terms of the transactions contemplated under the Sourcing Services Agreement – Joyoung as set out above, we consider the terms of the transactions contemplated under the Sourcing Services Agreement – Joyoung (including the proposed annual cap) to be fair and reasonable.

D. Listing Rules implications

The Directors confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the Transactions must be restricted by the respective annual caps; (ii) the terms of the Transactions must be reviewed by the independent non-executive Directors annually; (iii) details of independent non-executive Directors' annual review on the terms of the Transactions must be included in the Company's subsequent published annual reports. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Transactions (i) have not been approved by the Board; (ii) were not, in all material respects, in accordance with the pricing policies of the Group; (iii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iv) have exceeded the proposed annual caps. In the event that the amounts of Transactions are anticipated to exceed the respective annual caps, or that there is any proposed material amendment to the terms of the Transactions, as confirmed by the Directors, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transactions.

Given the above stipulated requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Transactions and thus the interest of the Independent Shareholders would be safeguarded.

LETTER FROM GRAM CAPITAL

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that (i) the terms of the Transactions (including the proposed annual caps) are on normal commercial terms and are fair and reasonable; and (ii) the Transactions are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Transactions and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,
For and on behalf of
Gram Capital Limited
Graham Lam
Managing Director

Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has over 25 years of experience in investment banking industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors, collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange were as follows:

Interest in the shares and underlying shares of the Company:

Name of Director or chief executive	Nature of interest	Long position/ short position	Number of Shares	Approximate percentage of shareholding in the Company ⁽¹⁾
Mr. Wang Xuning ⁽²⁾⁽³⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion, interest in controlled corporation, interest held jointly with other persons	Long position	1,934,882,576	55.69%
	Beneficial interest	Long position	82,359,890	2.37%
Ms. Han Run ⁽²⁾⁽⁴⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	46.15%
	Beneficial interest	Long position	28,429,472	0.82%
Ms. Huang Shuling ⁽²⁾⁽⁵⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	46.15%
Mr. Yan Xianxiang	Beneficial interest	Long position	100,000	0.00%

Notes:

- (1) The approximate percentage of shareholding in the Company was calculated based on the total number of issued Shares, which was 3,474,571,777 as at the Latest Practicable Date.
- (2) JS Holding Limited Partnership (“**JS Holding**”) directly held 1,603,578,331 Shares. Hezhou Company Limited (“**Hezhou**”) was the general partner exercising operational control over JS Holding. Tong Zhou Company Limited (“**Tong Zhou**”) was its limited partner with close to 100% of the limited partnership interest. Hezhou was wholly owned by Mr. Wang Xuning through the holding companies wholly owned by the trustee of the discretionary trust founded by Mr. Wang Xuning (the “**Wang’s Family Trust**”). Tong Zhou was owned by the holding companies respectively wholly owned by relevant trustee of several discretionary trusts (where their respective founders may respectively influence how the relevant trustee exercises its discretion), including the Wang’s Family Trust, the trust founded by Ms. Han Run (the “**Han’s Family Trust**”) and the trust founded by Ms. Huang Shuling (the “**Huang’s Family Trust**”). Therefore, each of Mr. Wang Xuning, Ms. Han Run and Ms. Huang Shuling was deemed to be interested in the Shares held by JS Holding for the purpose of Part XV of the SFO.
- (3) Sol Target Limited (“**STL**”), held 100 management shares (representing 100% voting rights) in Sol Omnibus SPC (“**Sol SPC**”). STL was wholly owned by Xuning Holdings Limited (“**XHL**”). XHL was wholly owned by Wang Family Holdings Limited (“**WFHL**”), which was in turn wholly-owned by Wang Family Global Limited (“**WFGL**”, together with XHL and WFHL, the “**Wang’s Holding Companies**”). The entire issued share capital of WFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Wang’s Family Trust. Mr. Wang Xuning established the Wang’s Family Trust for the benefit of himself and his family members. Therefore, Mr. Wang Xuning was deemed to be interested in 331,304,245 Shares held by Sol SPC for the purpose of part XV of the SFO. Together with Mr. Wang Xuning’s interest in the Company held through JS Holding as described in note (2) above, Mr. Wang was deemed to be interested in an aggregate of 1,934,882,576 Shares held by JS Holding and Sol SPC. In addition, Mr. Wang Xuning was deemed to be interested in 82,359,890 Shares comprising 46,570,295 Shares and 35,789,595 restricted stock units granted to him under the RSU Plan entitling him to receive up to 35,789,595 Shares, subject to vesting.
- (4) Run Holdings Limited (“**RHL**”) was wholly owned by Hannah Han Family Global Limited (“**HHFGL**”), which was in turn wholly owned by Hannah Han Family Holdings Limited (“**HHFHL**”, together with RHL and HHFGL, the “**Han’s Holding Companies**”). The entire issued share capital of HHFHL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Han’s Family Trust. Ms. Han established the Han’s Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members. Ms. Han was deemed to be interested in the Shares held by JS Holding as described in note (2) above, and therefore Ms. Han was deemed to be interested in 1,603,578,331 Shares. In addition, Ms. Han Run was deemed to be interested in 28,429,472 Shares comprising of 11,132,073 Shares and 17,297,399 restricted stock units granted to her under the RSU Plan entitling her to receive up to 17,297,399 Shares, subject to vesting.

- (5) Y&W Holdings Limited (“YWHL”) was wholly owned by L&W Everlasting Holdings Limited (“LEHL”), which was in turn wholly owned by Huang Family Global Limited (“HFGL”, together with YWHL and LEHL, the “Huang’s Holding Companies”). The entire issued share capital of HFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the Huang’s Family Trust. Ms. Huang Shuling established the Huang’s Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members. Ms. Huang was deemed to be interested in Shares held by JS Holding as described in note (2) above, and therefore Ms. Huang was deemed to be interested in 1,603,578,331 Shares.

Interest in the shares and underlying shares of an associated corporation of the Company:

Name of Director or chief executive	Nature of interest	Long position/ short position	Associated Corporations	Number of Shares	Approximate percentage of shareholding in the associated corporation ⁽¹⁾
Ms. Han Run ⁽²⁾⁽³⁾	Beneficial interest	Long position	Joyoung	1,040,000	0.14%
Ms. Huang Shuling ⁽²⁾⁽⁴⁾	Beneficial interest	Long position	Joyoung	330,000	0.04%

Notes:

- (1) The approximate percentage of shareholding in the associated corporation was calculated based on the total number of issued shares of Joyoung, which was 767,017,000 as at the Latest Practicable Date.
- (2) On 1 June 2021, Ms. Han Run and Ms. Huang Shuling were granted 900,000 and 300,000 options, respectively, which entitled them to subscribe for the equivalent number of shares in Joyoung in accordance with certain conditions under the Subsidiary Option Scheme. On 30 March 2022, Ms. Han Run and Ms. Huang Shuling were cancelled 360,000 and 120,000 options due to triggering the conditions under the Subsidiary Option Scheme.
- (3) Ms. Han Run held 500,000 shares of Joyoung.
- (4) Ms. Huang Shuling held 150,000 shares of Joyoung

(b) Substantial Shareholders' interests in Shares and underlying Shares

As at the Latest Practicable Date, as far as the Directors are aware of, the following, other than the Directors and chief executive of the Company, had an interest in the shares or underlying shares in the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the issued capital of the Company:

Name of Shareholder	Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company ⁽¹⁾
JS Holding ⁽²⁾	Beneficial interest	Long position	1,603,578,331	46.15%
Hezhou ⁽²⁾	Interest in controlled corporation	Long position	1,603,578,331	46.15%
Tong Zhou ⁽²⁾	Interest in controlled corporation	Long position	1,603,578,331	46.15%
HONGTAO Holding Company Limited (“HJHCL”) ⁽³⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
HONGJIN Family Company Limited (“HJFCL”) ⁽³⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
HONGJIN Global Company Limited (“HJGCL”) ⁽³⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
Trident Trust Company (Singapore) Ptd. Limited ⁽³⁾⁽¹⁰⁾	Trustee	Long position	1,603,578,331	46.15%
Mr. Zhu Hongtao ⁽³⁾⁽¹⁰⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	46.15%
Guo De Er Limited (“GDEL”) ⁽⁴⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
Wo Er Na Limited (“WENL”) ⁽⁴⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
He Guang Limited (“HGL”) ⁽⁴⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
Ms. Yang Ningning ⁽⁴⁾⁽⁵⁾⁽¹⁰⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	46.15%
	Beneficial Interest	Long position	11,329,472	0.33%
YONG JUN Limited (“YJL”) ⁽⁶⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
J&Z Family Global Limited (“JZFGGL”) ⁽⁶⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
Jiang Family Global Limited (“JFGL”) ⁽⁶⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%

APPENDIX I
GENERAL INFORMATION

Name of Shareholder	Nature of interest	Long position/ short position	Number of Shares held	Approximate percentage of shareholding in the Company ⁽¹⁾
Mr. Jiang Guangyong ⁽⁶⁾⁽¹⁰⁾	Founder of a discretionary trust who can influence how the trustee exercises his discretion	Long position	1,603,578,331	46.15%
XHL ⁽⁷⁾⁽¹⁰⁾	Interest in controlled corporations, interest held jointly with other persons	Long position	1,934,882,576	55.69%
WFHL ⁽⁷⁾⁽¹⁰⁾	Interest in controlled corporations, interest held jointly with other persons	Long position	1,934,882,576	55.69%
WFGL ⁽⁷⁾⁽¹⁰⁾	Interest in controlled corporations, interest held jointly with other persons	Long position	1,934,882,576	55.69%
RHL ⁽⁸⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
HHFGL ⁽⁸⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
HHFHL ⁽⁸⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
YWHL ⁽⁹⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
LEHL ⁽⁹⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
HFGL ⁽⁹⁾⁽¹⁰⁾	Interest held jointly with other persons	Long position	1,603,578,331	46.15%
Trident Trust Company (HK) Limited ⁽¹⁰⁾⁽¹¹⁾	Trustee	Long position	1,934,882,576	55.69%
Sol SPC ⁽¹¹⁾	Beneficial Interest	Long position	331,304,245	9.54%
STL ⁽¹¹⁾	Interest in controlled corporation	Long position	331,304,245	9.54%
Easy Home Limited ("Easy Home") ⁽¹²⁾	Beneficial Interest	Long position	175,236,139	5.04%
CDH Fund V, L.P. ⁽¹²⁾	Interest in controlled corporation	Long position	213,292,305	6.14%
CDH V Holdings Company Limited ⁽¹²⁾	Interest in controlled corporation	Long position	213,292,305	6.14%
China Diamond Holdings V Limited ⁽¹²⁾	Interest in controlled corporation	Long position	213,292,305	6.14%
China Diamond Holdings Company Limited ⁽¹²⁾	Interest in controlled corporation	Long position	213,292,305	6.14%

Notes:

- (1) The percentage of shareholding in the Company was calculated based on the total number of issued Shares, which was 3,474,571,777 as at the Latest Practicable Date.
- (2) JS Holding directly held 1,603,578,331 Shares. Hezhou was the general partner exercising operational control over JS Holding. Tong Zhou was the limited partner of JS Holding with close to 100% of its limited partnership interest. Therefore, each of Hezhou and Tong Zhou was deemed to be interested in 1,603,578,331 Shares held by JS Holding for the purpose of Part XV of the SFO.
- (3) HJHCL was wholly owned by HJGCL, which was in turn wholly owned by HJFCL (together with HJHCL and HJGCL, the “**Zhu HT’s Holding Companies**”). The entire issued share capital of HJFCL is was directly owned by Trident Trust Company (Singapore) Pte. Limited, being the trustee of the family trust established by Mr. Zhu Hongtao (the “**Zhu HT’s Family Trust**”). Mr. Zhu Hongtao established the Zhu HT’s Family Trust, where he can influence how the trustee exercises his discretion, for the benefit of himself and his family members.
- (4) GDEL was wholly owned by WENL, which was in turn wholly owned by HGL (together with GDEL and WENL, the “**Yang’s Holding Companies**”). The entire issued share capital of HGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the family trust established by Ms. Yang Ningning (the “**Yang’s Family Trust**”). Ms. Yang Ningning established the Yang’s Family Trust, where she can influence how the trustee exercises its discretion, for the benefit of herself and her family members.
- (5) Ms. Yang Ningning was granted 11,329,472 restricted stock units on October 12, 2019, entitling her to receive up to 11,329,472 ordinary shares subject to vesting, of which 8,497,104 restricted stock units had been vested as of the Latest Practicable Date.
- (6) YJL was wholly owned by JZFGL, which was in turn wholly owned by JFGL (together with YJL and JZFGL, the “**Jiang’s Holding Companies**”, together with the Wang’s Holding Companies, the Han’s Holding Companies, the Huang’s Holding Companies, the Zhu HT’s Holding Companies and the Yang’s Holding Companies, the “**Holding Companies**”). The entire issued share capital of JFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the family trust established by Mr. Jiang Guangyong (the “**Jiang’s Family Trust**”). Mr. Jiang Guangyong established the Jiang’s Family Trust, where he can influence how the trustee exercises its discretion, for the benefit of himself and his family members.
- (7) XHL was wholly-owned by WFHL, the entire issued share capital of which was in turn wholly owned by WFGL. XHL was directly wholly owned Hezhou, the general partner of JS Holding, and STL, which in turn held 100% voting rights of Sol SPC. Therefore, each of XHL, WFHL and WFGL was deemed to be interested in 1,934,882,576 Shares comprising of 1,603,578,331 Shares held by JS Holding and 331,304,245 Shares held by Sol SPC for the purpose of part XV of the SFO.
- (8) RHL was wholly owned by HHFGL, the entire issued share capital of which was in turn wholly owned by HHFHL. The entire issued share capital of HHFHL was directly wholly owned by Trident Trust Company (HK) Limited, being the trustee of the Han’s Family Trust, where Ms. Han Run can influence how the trustee exercises its discretion, for the benefit of herself and her family members.

- (9) YWHL is wholly owned by LEHL, which is in turn wholly owned by HFGL. The entire issued share capital of HFGL was directly owned by Trident Trust Company (HK) Limited, being the trustee of the trust established by the Huang's Family Trust, where Ms. Huang Shuling can influence how the trustee exercises its discretion, for the benefit of herself and her family members.
- (10) The Wang's Family Trust, the Han's Family Trust, the Huang's Family Trust, the Zhu HT's Family Trust, the Yang's Family Trust and the Jiang's Family Trust, through Trident Trust Company (HK) Limited or Trident Trust Company (Singapore) Ptd. Limited (in the case of the Zhu HT's Family Trust) as their respective trustee (the "Trustees") and the Holding Companies, held their interest in the Company through a common investment entity, namely JS Holding. As such, each of the Trustees, the Holding Companies, and the founders of relevant discretionary trusts where he/she can influence how the trustee exercises its respective discretion, was deemed to be interested in the Shares in the 1,603,578,331 Shares held by JS Holding for the purpose of Part XV of the SFO.
- (11) STL had 100% control in Sol SPC. STL was wholly owned by the Wang's Family Trust through the Wang's Holding Companies, which were wholly owned by its trustee Trident Trust Company (HK) Limited. Therefore, Trident Trust Company (HK) Limited was deemed to be interested in 331,304,245 Shares held by Sol SPC for the purpose of part XV of the SFO.
- (12) Easy Home and Comfort Home Limited ("**Comfort Home**") directly held 175,236,139 and 38,056,166 Shares, respectively. Each of Easy Home and Comfort Home was a wholly-owned subsidiary of CDH Fund V, L.P. whose general partner was CDH V Holdings Company Limited. CDH V Holdings Company Limited is held as to 80% by China Diamond Holdings V Limited, which was in turn wholly-owned by China Diamond Holdings Company Limited. Therefore, each of CDH Fund V, L.P., CDH V Holdings Company Limited, China Diamond Holdings V Limited and China Diamond Holdings Company Limited was deemed to be interested in 213,292,305 Shares in aggregate held by Easy Home and Comfort Home for the purpose of Part XV of the SFO.

Save as disclosed herein, as at the Latest Practicable Date, the Company had not been notified by any person (other than the Directors or the chief executive of the Company) who had an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or was, directly or indirectly, interested in 5% or more of the issued capital of the Company.

3. DIRECTORS' SERVICE CONTRACTS

The Company has entered into service contracts or appointment letters with all executive Directors and non-executive Directors for a term of three years, and with all independent non-executive Directors for a term of three years, or which shall be terminated pursuant to relevant terms of respective contracts or letters of appointment.

As at the Latest Practicable Date, none of the Directors had entered into or was proposing to enter into any service contract with the Company or any member of the Group, excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation.

4. COMPETING INTERESTS

To the best knowledge of the Directors, save as disclosed below, none of the Directors had any interest in any business which directly or indirectly competes or is likely to compete with the business of the Group:

- Jiuyang Bean: As of the Latest Practicable Date, Hangzhou Jiuyang Bean Industry Limited (杭州九陽豆業有限公司) (“**Jiuyang Bean**”), was owned as to 42.5%, 25.5% and 32% by Ningbo Meishan Free Trade Port Area Lihao Investment Limited, Joyoung and other independent third parties, respectively. Ningbo Meishan Free Trade Port Area Lihao Investment Limited was controlled by the Controlling Shareholders. Jiuyang Bean generally provides soymilk powder and commercial soymilk makers; and

On the basis that the Group’s products have different usage scenarios from the products of Jiuyang Bean, as the Group’s products are generally for home use and targeted at individual customers while Jiuyang Bean generally provides soymilk powder and commercial soymilk makers to factories, schools, stores and restaurants, the Directors are of the view that these businesses would not give rise to any material competition issue under Rule 8.10 of the Listing Rules. In light of the above, the above Director and Controlling Shareholders have no intention to have the businesses as detailed above incorporated into the Group as of the Latest Practicable Date.

5. INTERESTS IN CONTRACT OR ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors was materially interested in contract or arrangement subsisting which is significant in relation to the business of the Group, nor has any Director had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2022, the date to which the latest published audited consolidated financial statements of the Group were made up.

6. MATERIAL CONTRACTS

There was no contract (not being contracts entered into in the ordinary course of business) entered into by any member of the Group within the two years immediately preceding the Latest Practicable Date, which is or may be material.

7. MATERIAL LITIGATION

The Directors confirm that, as at the Latest Practicable Date, no member of the Group was involved in any material litigation or arbitration and no material litigation or claim is known to the Directors to be pending or threatened by or against any member of the Group.

8. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, the date to which the latest published audited consolidated financial statements of the Group were made up.

9. EXPERT AND CONSENT

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

Name	Qualification
Gram Capital	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Gram Capital has given and confirmed that it has not withdrawn its written consent to the issue of this circular with the inclusion herein of its statements and/or references to its name in the form and context in which it appears.

Gram Capital has further confirmed that as at the Latest Practicable Date, it was not aware of having any interest in the share capital of any member of the Group, nor was it aware of having any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group. It was not aware of having any interest in any assets which have been, since 31 December 2022 (being the date to which the Company's latest audited financial statements were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

10. MISCELLANEOUS

- (a) The registered office of the Company is situated PO Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands; and the head office and principal place of business of the Company is situated at 21/F, 238 Des Voeux Road Central, Sheung Wan, Hong Kong;

- (b) The Hong Kong share registrar of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong;
- (c) The English text of this circular shall prevail over the respective Chinese text in the case of inconsistency.

11. DOCUMENTS ON DISPLAY

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

- (a) the Sourcing Services Agreement – JS Global;
- (b) the Sourcing Services Agreement – Joyoung;
- (c) this circular;
- (d) the letter from the Independent Board Committee to the Independent Shareholders dated 18 September 2023, the text of which is set out on pages 18 to 19 of this circular;
- (e) the letter from Gram Capital to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 20 to 35 of this circular; and
- (f) the written consent referred to in the section headed “Expert and Consent” in this appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of JS Global Lifestyle Company Limited (the “Company”) will be held at Conference Room, 3/F, Brand Hall, Joyoung Innovation Industrial Park, No. 760, Yin Hai Street, Qiantang District, Hangzhou, Zhejiang Province, China on 9 October 2023 at 9:30 a.m. to consider and, if thought fit, passing the following ordinary resolutions of the Company. Unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 18 September 2023 (the “Circular”):

ORDINARY RESOLUTION

THAT:

- (a) the terms and conditions of the Sourcing Services Agreement – JS Global entered into between SharkNinja HK and JS Global Trading, be ratified, accepted and approved;
- (b) the terms and conditions of the Sourcing Services Agreement – Joyoung entered into between SharkNinja HK and Joyoung Entities, be ratified, accepted and approved;
- (c) the directors of the Company be and are hereby authorised, for and on behalf of the Company, to take all steps and do all acts and things as they consider to be necessary, appropriate or expedient in connection with and to implement or give effect to the Sourcing Services Agreement – JS Global and the Sourcing Services Agreement – Joyoung, and to execute all such other documents, instruments and agreements deemed by them to be incidental to, ancillary to or in connection with the transactions herein.

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

18 September 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power of attorney or authority, must be deposited at the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited (the “**Branch Share Registrar**”) at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM (i.e. before 7 October 2023 at 9:30 a.m.) or any adjournment thereof. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
4. Where there are joint holders of any share, any one of such joint holders may vote at the EGM, either personally or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, then the one of such joint holders so present whose name stands first on the register of members of the Company shall, in respect of such share, be entitled alone to vote in respect thereof.
5. The resolutions at the EGM will be taken by poll pursuant to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jsgloballife.com) in accordance with the Listing Rules.
6. The register of members of the Company will be closed from 4 October 2023 to 9 October 2023 (both days inclusive), during which period no transfer of shares of the Company will be registered. In order to determine the identity of members who are entitled to attend and vote at the EGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 3 October 2023.

As at the date of this notice, 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.