



**IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION**

**CAUSE NO. FSD 374 OF 2024 (IKJ)**

**IN THE MATTER OF SECTION 86 OF THE COMPANIES ACT (2023 REVISION) (AS  
REVISED)**

**AND IN THE MATTER OF ORDER 102 OF THE GRAND COURT RULES 2023 (AS  
REVISED)**

**AND IN THE MATTER OF LIFESTYLE CHINA GROUP LIMITED 利福中國集團有限公司**

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**PETITION**

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**To: The Grand Court of the Cayman Islands**

**THE HUMBLE PETITION OF LIFESTYLE CHINA GROUP LIMITED 利福中國集團有限公司**,  
whose registered office is at the offices of Conyers Trust Company (Cayman) Limited,  
Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands  
shows the following:

**Object of the Petition**

1. The object of this Petition is to seek the sanction of the Court, pursuant to section 86 of the Companies Act (2023 Revision) (As Revised) ("**Companies Act**"), to a proposed scheme of arrangement ("**Scheme**") between the petitioner, Lifestyle China Group Limited 利福中國集團有限公司 ("**Company**") and the Scheme Shareholders (as defined in the composite scheme document ("**Scheme Document**")), a draft of which is attached

as Exhibit “LKW-1” to the first affirmation of Lam Kwong Wai made on 17 December 2024.

2. Except where defined in this petition capitalised terms bear the same meaning as in the Scheme Document (defined above).

### **The Company**

3. The Company was incorporated under the name “Lifestyle China Limited 利福中國有限公司” on 4 January 2016 under the Companies Act as an exempted company with registration number CT-307157. On 18 April 2016, the Company changed its name from “Lifestyle China Limited 利福中國有限公司” to “Lifestyle China Group Limited 利福中國集團有限公司”.
4. The registered office of the Company is situated at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is at 20th Floor, East Point Centre 555 Hennessy Road Causeway Bay Hong Kong.
5. As an exempted company, the objects for which the Company was established are unrestricted and the Company has the capacity to exercise all the functions of a natural person as provided by section 27(2) of the Companies Act, save for generally applicable statutory restrictions on the power to conduct trade in the Cayman Islands. The Company and its subsidiaries are primarily engaged in the operation of “Fashionable Lifestyle” retail department stores under the Jiuguang brand in Shanghai and Suzhou as well as a 350,000 square meter commercial complex in the PRC. The Company also has a strategic equity interest in the Beiren Group, a leading retail group based in Shijiazhuang, Hebei Province, PRC with interests in department stores, supermarkets, electrical appliances stores and gold and jewellery shops.

### Share Capital and Listing

6. As at 17 December 2024, the Company has an authorised share capital of HK\$20,000,000 divided into 4,000,000,000 shares of a par value of HK\$0.005 each (“**Shares**”), of which 1,464,448,500 have been issued and fully paid-up or credited as fully paid-up and the remainder are unissued.
7. The Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).
8. As at 17 December 2024, the major shareholdings of the Company were as follows:

<u>Shareholder</u>	As at 17 December 2024	
	Number of Shares	Approximate % of the issued Shares
<b>(A) Offeror</b> <sup>(Note (1))</sup>	-	-
<b>(B) Offeror Concert Parties Not Subject to the Scheme</b>		
Mr, Lau <sup>(Note (2))</sup>	252,051,460	17.21
Mr. Lau’s SPV Entities <sup>(Note (3))</sup>	844,988,832	57.70
<b>(C) Offeror Concert Parties Subject to the Scheme</b>		
Ms. Lau <sup>(Note (4))</sup>	9,308,500	0.64
Ms. Lau’s SPV Entities <sup>(Note (5))</sup>	23,115,500	1.58
<b>Sub-total for (A)+(B)+(C)</b>	1,129,464,292	77.13
<b>(D) Independent Shareholders</b> <sup>(Note (6))</sup>	334,984,208	22.87
<b>TOTAL:</b>		
<b>(A) + (B) + (C) + (D)</b>	1,464,448,500	<b><u>100</u></b>
<b>(E) Scheme Shareholders:</b>		
<b>= (C) + (D)</b> <sup>(Note (7))</sup>	367,408,208	25.09

The following are the notes in respect of the table above:

*Note (1): The Offeror is wholly-owned by Mr. Lau.*

*Note (2): 252,051,460 Shares are held by Mr. Lau as beneficial owner.*

*Note (3): 540,000,000 Shares are held by United Goal. United Goal is ultimately owned as to 80% by Mr. Lau through Asia Prime Assets Limited (the entire issued share capital of which is wholly owned by Mr. Lau) and as to 20% by certain family members of Mr. Lau Luen Hung, Joseph, the elder brother of Mr. Lau. The remaining 304,988,832 Shares are held by Dynamic Castle, which is wholly owned by Mr. Lau.*

*Note (4): 9,308,500 Shares are held by Ms. Lau, a younger sister of Mr. Lau, as beneficial owner.*

*Note (5): 1,000,000 Shares are held by Chaker Investments Limited, which is wholly owned by Ms. Lau. The remaining 22,115,500 Shares are held by WinPath Limited, which is wholly owned by Ms. Lau.*

*Note (6): 297,000 Shares are held by Ms. Chan Chor Ling, Amy, a non-executive Director, who is not regarded as acting in concert with the Offeror in relation to the Company and the Shares held by her will form part of the Scheme Shares held by the Independent Shareholders.*

*Note (7): Scheme Shares shall include any Shares held by Independent Shareholders and the Offeror Concert Parties Subject to the Scheme, and exclude all Shares held by Offeror Concert Parties Not Subject to the Scheme.*

#### **Scheme Shares; Undertakings**

9. All Shares in issue as at the Scheme Record Date will constitute the Scheme Shares other than those directly or indirectly held by the Offeror or the Offeror Concert Parties Not Subject to the Scheme.
10. The Offeror will undertake to be bound by the terms of the Scheme.
11. The Offeror does not currently own any Shares. Each of the Offeror and the Offeror Concert Parties will undertake that any Shares in respect of which they are legally and/or beneficially interested will not be voted at the Court Meeting.

**Purpose of the Scheme**

12. The purpose of the Scheme is to privatise the Company and de-list the Company from the Stock Exchange such that the Company will be owned as to approximately 25.09% by the Offeror and approximately 74.9% by the Offeror Concert Parties Not Subject to the Scheme.

**Principal Features of the Scheme**

13. The Scheme involves:
- (a) the cancellation and extinguishment of all Scheme Shares in consideration of the payment of the cancellation price of HK\$0.913 per Scheme Share ("**Cancellation Price**");
  - (b) the issued share capital of the Company being maintained at the same amount as immediately prior to the Effective Date by the issue to the Offeror, contemporaneously with the cancellation and extinguishment of the Scheme Shares, of an aggregate number of new Shares equal to the number of Scheme Shares cancelled and extinguished; and
  - (c) the Company applying the reserve created in its books of account as a result of the cancellation and extinguishment of the Scheme Shares in paying up in full such new Shares to be issued to the Offeror.

**Reasons for the Scheme**

14. The trading price of the Shares on the Stock Exchange has traded below the Cancellation Price over the last 12 months. The low trading liquidity of the Shares could make it difficult for the Scheme Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares or the Scheme Shareholders may not be able to dispose of their entire shareholding within a reasonable period of time. The

Scheme provides the Scheme Shareholders with an opportunity to realise their investment in the Scheme Shares at an attractive premium over the prevailing market price without having to suffer from any illiquidity discount and settlement risk. The Cancellation Price is fully explained in the Scheme Document.

15. The economy of the PRC has been facing challenges due to various economic and political factors including complex geopolitical tensions and weak domestic consumption. Although the PRC Government has announced various measures aiming to stabilise the economy and boost domestic consumption, the effectiveness of these measures is uncertain. It is expected that the retail sector in the PRC will remain challenging in the short to medium term.
16. The Company has not conducted any equity fund raising activities since its listing due to the relatively low trading liquidity of the Shares and the downward trend of the trading price of the Shares in recent years. Under such circumstances the continued listing of the Shares does not provide any significant benefit to the Company.
17. The privatisation of the Company is expected to enable the Offeror to make strategic decisions with a focus on the long-term growth of the Group free from the pressure of market expectations, share price fluctuations and compliance requirements which arise from the Company being a publicly listed company.
18. The delisting of the Company is also expected to reduce the administrative costs and use of management resources associated with maintaining the Company's listing status and compliance with ongoing regulatory requirements.
19. After careful consideration, the board of directors of the Company has determined that the Scheme is in the best interests of the Company.

**Court Meeting**

20. The Company intends to make an application for directions, declarations and orders, amongst other things:
- (a) that all Scheme Shareholders voting at the Court Meeting form one class for the purpose of approving the Scheme and are identified as one class in the Scheme Document on the basis that all Shares in issue as at the Scheme Record Date will constitute the Scheme Shares other than any directly or indirectly held by the Offeror and Offeror Concert Parties Not Subject to the Scheme and each of the Offeror and the Offeror Concert Parties will in any event undertake that any Shares in respect of which they are legally and/or beneficially interested will not be voted at the Court Meeting. Under the Takeovers Code, unless permitted by the Securities and Futures Commission of Hong Kong (“SFC”), Scheme Shareholders who are acting in concert with the Offeror in relation to the implementation of the Scheme may not be counted for the purposes of satisfying the voting requirements of Rule 2.10 of the Takeovers Code but may be counted for the purposes of satisfying the voting requirements of section 86 of the Companies Act.
  - (b) that the Company be at liberty to convene a meeting of the Scheme Shareholders (“**Court Meeting**”) for the purpose of considering and, if thought fit, approving the Scheme (with or without modification);
  - (c) directions as to the mode of delivery, announcement and publication of the Scheme Document (including an explanatory memorandum and a proxy form for use at the Court Meeting) to the Scheme Shareholders; and
  - (d) for the appointment of a chairman of the Court Meeting and for the conduct of the Court Meeting generally.

21. The Scheme Document will be sent to all Scheme Shareholders with the possible exception of overseas Shareholders.
22. If the despatch of the Scheme Document to overseas Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements which the board of directors of the Company regards as unduly onerous or burdensome (or otherwise not in the best interests of the Company or its Shareholders), the Scheme Document may not be despatched to such overseas Shareholders. For that purpose, the Company will apply for any waivers as may be required by the Executive Director of the Corporate Finance Division of the SFC or any delegate thereof ("**Executive**") pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such overseas Shareholders. As at 17 December 2024 there was one overseas Scheme Shareholder whose address as shown in the register of members of the Company was outside Hong Kong.
23. The following resolution (with such amendments as may be approved at the Court Meeting) will be considered at the Court Meeting:

*"THAT the Scheme of Arrangement in the form contained in the composite scheme document dated 27 January 2025, a print of which has been submitted to this Court Meeting and, for the purpose of identification, signed by the chairman of this Court Meeting in its original form or with such modifications, additions or conditions as may be approved or imposed by the Cayman Islands Grand Court be and is hereby approved."*

**Extraordinary General Meeting**

24. The Company intends to hold an extraordinary general meeting as soon as practicable after the Court Meeting on the same day for the purposes of approving all resolutions necessary to give effect to the Scheme and the privatisation of the Company.

**Effect of the Scheme on Issued Share Capital and Solvency**

25. The issued share capital of the Company will remain the same pre and post the Scheme.
26. The Scheme will not involve any diminution of liability in respect of any unpaid share capital or the payment to any member of the Company of any paid up capital or other monies by the Company or alteration of the underlying assets, business operations, management or financial position of the Company and will have no effect on the creditors of the Company. The Company will continue to be able to pay its debts as they fall due in the ordinary course of business.

**Prayer for Relief**

27. The Company therefore humbly prays as follows:
- (a) That the Scheme to be approved at the Court Meeting to be convened at the direction of this Honourable Court may be sanctioned by this Honourable Court.
  - (b) That such further or other order be made as the Court shall see fit.

Dated this 17<sup>th</sup> day of December 2024

*Conyers Dill & Pearman LLP*

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**Conyers Dill & Pearman LLP**  
**Attorneys-at-Law for the Petitioner**

NOTE: It is intended to serve this Petition on Lifestyle China Group Limited 利福中國集團有限公司 at its registered office located at the offices of Conyers Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

This Petition is presented by Conyers Dill & Pearman LLP, for and on behalf of the Petitioner, of SIX, 2nd Floor, Cricket Square, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

**Notice of Hearing**

This Petition, having been presented to the Court on the 17<sup>th</sup> day of December 2024, will be heard at the Law Courts, George Town, Grand Cayman on the 25<sup>th</sup> day of February 2025 at 9:30 a.m./p.m. or as soon thereafter as the Petition can be heard.