



THE GRAND COURT OF THE CAYMAN ISLANDS
FINANCIAL SERVICES DIVISION

CAUSE NO. FSD OF 2022 ()

IN THE MATTER OF SECTIONS 15 AND 86 OF THE COMPANIES ACT (2022 REVISION)

AND IN THE MATTER OF THE GRAND COURT RULES 1995 ORDER 102

AND IN THE MATTER OF LIFESTYLE INTERNATIONAL HOLDINGS LIMITED 利福國際集團有限公司

PETITION

To: The Grand Court of the Cayman Islands

THE HUMBLE PETITION OF Lifestyle International Holdings Limited 利福國際集團有限公司 whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands (the "**Company**") shows the following:

1. The object of this Petition is to seek:
 - a. the sanction of the Court pursuant to section 86 of the Companies Act (2022 Revision) (the "**Companies Act**") to a proposed Scheme of Arrangement (the "**Scheme**") between the Company, EMERALD ENERGY HOLDINGS LIMITED (the "**Offeror**") and the Scheme Shareholders as defined in the Scheme contained in a composite scheme document (the "**Scheme Document**") a draft of which is attached as Exhibit "**LKS -1**" to the First Affirmation of Lau Kam Shim made on 8 September 2022, and
 - b. the confirmation of the Court, pursuant to section 15 of the Companies Act, of the intended reduction of the issued share capital (the "**Reduction**")

of Capital”) of the Company consequent upon the cancellation of the Scheme Shares (as defined in the Scheme) pursuant to the Scheme which is expected to be approved by a special resolution of the shareholders passed at an extraordinary general meeting of the Company immediately after the Court Meeting referred to herein.

The Company

2. The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the Main Board of the Stock Exchange since 2004 with the stock code 1212. The principal activities of the Company and its subsidiaries (the “**Group**”) are those relating to the operation of department stores, in particular the SOGO department store in Hong Kong, property development and investment in Hong Kong and the United Kingdom. It is a Cayman Islands exempted company limited by shares incorporated under the name “**Lifestyle International Holdings Limited**” on 29 December 2003 under the Companies Act as an exempted company with registration number CT-131667. The Company changed its name to “**Lifestyle Group Limited**” on 26 February 2004 and to “**LIFESTYLE INTERNATIONAL HOLDINGS LIMITED 利福國際集團有限公司**” on 26 February 2004. Its registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company in Hong Kong is at 20th Floor, East Point Centre, 555 Hennessy Road, Causeway Bay, Hong Kong.
3. As an exempted company, the objects for which the Company was established are unrestricted and include (a) to act and to perform all the functions of a holding company in all its branches, and (b) to act as an investment company. The Company shall have and be capable of exercising all the functions of a natural person of full capacity irrespective of any question of corporate benefit as provided by section 27(2) of the Companies Act.

4. As at the date of this Petition, (A) the Company has an authorised share capital of HK\$20,000,000 divided into 4,000,000,000 shares of HK\$0.005 each (the “**Shares**”), and (B) 1,501, 916,000 of the Shares have been issued and fully paid-up or credited as fully paid-up and the remainder are unissued. The issued Shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

5. As at the date of this Petition (i) there were no Shares legally and/or beneficially owned by Emerald Energy Holdings Limited (the “**Offeror**”), whilst (ii) 1,125,097,792 Shares, representing in aggregate approximately 74.91% of the issued Shares of the Company (which are not subject to the Scheme), were legally and/or beneficially owned by parties acting in concert or presumed to be acting in concert with the Offeror (the “**Offeror Concert Parties not Subject to the Scheme**”), under the definition of “acting in concert” under the Code on Takeovers and Mergers of Hong Kong (the “**Takeovers Code**”), (iii) 23,709,500 Shares, representing approximately 1.58% of the issued Shares of the Company which are subject to the Scheme, were legally and/or beneficially owned by parties acting in concert or presumed to be acting in concert with the Offeror (the “**Offeror Concert Parties Subject to the Scheme**”), and (iv) 353,108,708 Shares, representing approximately 23.51% of the issued Shares of the Company which are subject to the Scheme, were legally and or beneficially owned by the public (the “**Independent Shareholders**”). The 376,818,209 Shares in aggregate that are held by the Offeror Concert Parties Subject to the Scheme and the Independent Shareholders constitute the Scheme shares (the “**Scheme Shares**”).

Emerald Energy Holdings Limited.

6. The Offeror is a company incorporated under the laws of the British Virgin Islands with limited liability on 25 April 2019. Its registered office is at Vistra

Corporate Services Centre, Wickhams Cay II, Road Town, VG1110, British Virgin Islands. The Offeror is in the business of investment holding.

The Scheme

7. The purpose of the Scheme is to privatise the Company so that the Offeror and the Offeror Concert Parties not Subject to the Scheme will collectively own 100% of the issued Shares of the Company.
8. This will be achieved by the steps summarised in paragraph 9 below.
9. The principal features of the Scheme are:
 - a. the Reduction of Capital by the cancellation and extinguishment of the Scheme Shares pursuant to the Scheme, in consideration of which the holders of the Scheme Shares (the “**Scheme Shareholders**”) will receive HK\$5.00 for each Scheme Share (the “**Cancellation Price**”);
 - b. subject to and forthwith upon the Reduction of Capital taking effect, the share capital of the Company being restored to its former amount by the allotment and issue to the Offeror, credited as fully paid at par, the same number of Shares as the number of Scheme Shares cancelled and extinguished at the Effective Date (as defined in the Scheme) (the “**Restoration of Capital**”); and
 - c. the credit arising in the books of account of the Company as a result of the Reduction of Capital resulting from the cancellation and extinguishment of the Scheme Shares pursuant to the Scheme being applied in paying up in full at par such number of Shares as is equal to the number of Scheme Shares cancelled and extinguished at the Effective Date.

Reasons for and benefits of the Scheme

Reasons for the Proposal

10. The retail environment in Hong Kong has been experiencing a downturn since the beginning of the social unrest in mid-2019, with the subsequent outbreak of the Covid-19 pandemic in early 2020 further exacerbating an already dire business landscape. These two factors contributed to a dramatic reduction of mainland Chinese shoppers that previously comprised a sizable share of the retail business in Hong Kong. Additionally, the Covid-19 pandemic has accelerated a transformation of the business landscape including the rapid rise of e-commerce, adding further pressure on the brick and mortar retailers. The financial and operating performance of the Group has been adversely affected by the absence of tourist spending and weak local consumer sentiment due to Covid-19 containment measures including the continued enforcement of stringent travel restrictions as well as an uncertain economic environment.
11. Turnover of the Group, a leading physical department store operator in Hong Kong, has been in a declining trend since 2019, with low visibility of any signs of recovery. The Group has continued its efforts in optimizing operations and implementing promotions to stimulate local sales and leverage upon the consumption voucher scheme launched by the Hong Kong government. Despite the Group's total gross sale proceeds managed to increase by 9.9% in 2021 compared with that in 2020, it represented only 53.3% of the total gross sale proceeds recorded in 2018.
12. As mentioned in the Company's interim results announcement for the six months ended 30 June 2022:

- a. Management maintains a pessimistic view of Hong Kong's retail sector for the second half of 2022 as the recent rebound in local Covid-19 infections poses challenges to the recovery of Hong Kong's economy and clouds the prospect of the long-awaited border reopening. Moreover, the worsening global economic outlook in the wake of intensifying geopolitical tensions and continuous supply chain disruptions, coupled with tightening monetary policies by various governments to tame soaring inflation, would further undermine business confidence and consumer spending.
 - b. China, the world's second largest economy, has recorded subdued growth for the first half of 2022, as it focused on fighting Covid-19 outbreaks across the country with mass testing and renewed travel restrictions. The new outbreaks have raised concerns of a return to strict measures and lockdowns that would severely disrupt the manufacturing sector, supply chain and daily economic activities, which could in turn adversely impact the growth outlook of the global economy.
 - c. The Hong Kong government will hand out the second part of consumption vouchers in the second half of the year and it is also hoped that the government would roll-out other stimulus measures to support domestic demand and rejuvenate the local economy. However, the long-term economic impact of Covid-19 pandemic and uncertainties over its lingering development is set to weigh upon consumer sentiment. Even with the eventual reopening of borders with mainland China at some stage, a full recovery of the retail industry back to pre-pandemic levels remains formidable in the foreseeable future, as the pandemic may have significantly altered the retailing landscape and consumer behavior.
13. To enhance its leadership position and presence in the local retail market, the Group will need to continue making additional investment and leverage on its

brand equity and management expertise. For this purpose, the Group has budgeted some HK\$14 billion for the development of a green field retailing complex in the Kai Tak area in Kowloon, Hong Kong (the “**Project**”). The construction work of the Project has progressed as planned and the retail complex is expected to commence commercial operation by end 2023. While the Offeror is confident of the long-term future of Hong Kong, given (a) the current challenging retailing environment and the uncertainties posed by the Covid-19 pandemic on the reopening of cross-border travel with mainland China; and (b) the execution risks associated with the leasing works and the eventual take-up rate of the floor space; time and patience will inevitably be required to ramp-up the foot traffic and therefore the operating performance of the Project in the initial few years could be disappointing and should not be overestimated.

14. In view of the challenging retail operating environment, the Group has been making investments in the United Kingdom, including a commercial property in London and equity interests in certain companies listed on the London Stock Exchange in the property investment and development sector, in the last two years and the Offeror believes that the Group may need to further diversify its business model and asset base to generate different sources of revenue. These potential new investments may or may not be in line with the Group’s retail business with a focus in Hong Kong.
15. The Company was listed on the Hong Kong Stock Exchange in 2004 and has been generating returns to shareholders through the payment of cash dividends. The annual total cash dividend payout ratio of the Company from 2005 through 2019 has been in the range of 33.6% to 63.3% of its respective annual net profits. In addition, there was distribution of shares in Lifestyle Properties Development Limited and Lifestyle China Group Limited in 2013 and 2016 respectively upon the spin-off and separate listing of both companies. However, since the Covid- 19 outbreak in early 2020, the Board has not recommended the payment of dividend

to prioritize cash preservation for the long-term financial health of the Group which included the dropping of the final dividend for the year 2019. Looking ahead, it is uncertain and difficult to predict when the Company can resume dividend payment and, if so, at a dividend payout ratio comparable to those in the past.

Benefits for the Scheme Shareholders

16. In view of (i) the challenging operating environment as abovementioned which are expected to continue in the foreseeable future; (ii) the potential risks associating with Group's investments in the Kai Tak Project; (iii) potential further investments required to be made in the United Kingdom; and (iv) uncertainty as to the time and payout ratio of any future dividend payment, the Proposal provides Scheme Shareholders flexibility to redeploy capital invested in the Company at a time of considerable uncertainty on the prospects of the Group into other investments that they consider more attractive. Furthermore, the Cancellation Price of HK\$5.00 for each Scheme Share represents a premium of approximately 62.34% over the closing price of HK\$3.080 per Share as quoted on the Stock Exchange on the Last Trading Date, and a premium of approximately 81.88% and 70.11% over the average closing prices of approximately HK\$2.749 and HK\$2.939 per Share for the 10 and 30 trading days up to and including the Last Trading Date, respectively. The Proposal has already taken into consideration the weak performance and thin liquidity of the Shares with average daily trading volume at about 428,877 Shares for the past 12 months up to and including the Last Trading Date, representing less than 0.03% of the total issued Shares as at the Last Trading Date. This low trading volume could make it difficult for the Scheme Shareholders to monetise their investments in the open market. The Proposal therefore provides the Scheme Shareholders with an opportunity to fully realise the value of their investment and interest in the Company at a premium over the market price of the Shares.

Benefits to the Company and the Offeror

17. Following the Company's announcement on 28 July 2022 of the HK\$475 million loss incurred for the six months ended 30 June 2022, the Offeror expects that investors' interest in the Company would remain muted and trading in the Shares would continue to be thin and the price performance could remain relatively weak in the near term and it does not appear that the Company would be able to utilize its listing status to raise funds from the equity market in the near term. The Proposal therefore would allow the Company to reduce the administrative costs and management resources associated with maintaining its public listed status. The Proposal could also provide more flexibilities to the Group as a privately-owned entity in formulating and implementing its long-term strategies or to pursue other business opportunities, without subjecting itself to regulatory restrictions and compliance obligations arising from being listed on the Stock Exchange and without having to focus on the short-term market reactions.

Shareholder Profile

18. On the assumption that there is no change in shareholding in the Company, the profile of the major legal and/or beneficial shareholders of the Company ("**Shareholders**") on (i) the date of this Petition, and (ii) immediately upon completion of the Proposal:

Shareholder	<u>As at the date of this Petition</u>		<u>Immediately upon completion of the Proposal</u>	
	<u>Number of Shares</u>	<u>Approximate % of the issued Shares</u>	<u>Number of Shares</u>	<u>Approximate % of the issued Shares</u>
(A) Offeror <i>(Note (1))</i>	-	-	376,818,208	25.09
(B) Offeror Concert Parties Not Subject to the				

Scheme				
Mr. Lau	113,403,292	7.55	113,403,292	7.55
Mr. Lau's SPV Entities ^{(Note (2))}	1,011,694,500	67.36	1,011,694,500	67.36
(C) Offeror Concert Parties Subject to the Scheme ^{(Note (3))}				
The Trust ^{(Note (4))}	951,000	0.06	-	-
Ms. Lau ^{(Note (5))}	20,408,000	1.36	-	-
Ms. Lau's SPV Entity ^{(Note (5))}	1,600,000	0.11	-	-
Ms. Chan ^{(Note (6))}	750,500	0.05	-	-
Sub-total for (A)+(B)+(C)	1,148,807,292	76.49	1,501,916,000	100.00
(D) Independent Shareholders	353,108,708	23.51	-	-
TOTAL (A) + (B) + (C) + (D)	<u>1,501,916,000</u>	<u>100.00</u>	<u>1,501,916,000</u>	<u>100.00</u>
(E) Scheme Shareholders = (C) + (D) ^{(Note (7))}	376,818,208	25.09	-	-

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

- (i) The Offeror is wholly-owned by Mr. Lau. Upon the Scheme becoming effective, the share capital of the Company will be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the share capital of the Company will be restored to its former amount by the allotment and issuance to the Offeror, credited as fully paid, of the same number of the Shares as the number of Scheme Shares cancelled and extinguished, and the credit arising in the Company's books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so allotted and issued to the Offeror.

- (ii) These shares are held as to 471,694,500 Shares (representing approximately 31.41% of the issued Shares) by Dynamic Castle, which is wholly-owned by Mr. Lau and 540,000,000 Shares (representing approximately 35.95% of the issued Shares) by United Goal, which is ultimately owned as to 80% by Mr. Lau and 20% by certain family members of Mr. Lau Luen Hung, Joseph, the elder brother of Mr. Lau.
- (iii) DBSAC is the financial adviser of the Offeror. Accordingly, DBSAC and the relevant members of the DBS Group which hold the Shares (except in respect of Shares held by exempt principal traders or exempt fund managers, in each case recognized by the Executive as such for the purposes of the Takeovers Code and also excluding Shares held on behalf of non-discretionary clients of the DBS Group) are presumed to be acting in concert with the Offeror in accordance with class 5 of the definition of “acting in concert” in the Takeovers Code. Exempt principal traders which are connected for the sole reason that they are under the same control as DBSAC are not presumed to be acting in concert with the Offeror. However, Shares held by members of the DBS Group acting in the capacity of exempt principal traders shall not be voted at the Court Meeting and the General Meeting in accordance with the requirements of Rule 35.4 of the Takeovers Code unless the Executive allows such Shares to be so voted. Shares held by such exempt principal traders may, subject to consent of the Executive, be allowed to be voted at the Court Meeting and the General Meeting if (i) the relevant connected exempt principal trader holds the Shares as a simple custodian for and on behalf of non-discretionary clients, and (ii) there are contractual arrangements in place between the relevant connected exempt principal trader and its clients that strictly prohibit the relevant connected exempt principal trader from exercising any voting discretion over the relevant Shares, and all voting instructions shall originate from the client only (if no instructions are given, then no votes shall be cast for the relevant

Shares held by the relevant connected exempt principal trader). For this purpose, where applicable, a written confirmation of the matters set out in points (i) and (ii) above and whether the relevant underlying clients are entitled to vote in the context of the Proposal will be submitted to the Executive before the Court Meeting. In the event that no such written confirmation is submitted to the Executive and no consent has been obtained from the Executive before the Court Meeting, the Shares held by members of the DBS Group acting in the capacity of exempt principal traders will not be voted at the Court Meeting.

As at the Latest Practicable Date, DBSAC and the relevant members of the DBS Group (excluding members of the DBS Group which are exempt principal traders or exempted fund managers, in each case recognized by the Executive as such for the purposes of the Takeovers Code and also excluding Shares held on behalf of non-discretionary clients of the DBS Group) do not have any interests in the Shares.

- (iv) These Shares are held by a trust for an estate in which certain family members of Mr. Lau have interest. Mr. Lau and Ms. Lau Yuk Wai, Amy are the trustees of the trust and each of Mr. Lau Kam Sen, Ms. Lau Kam Shim and Ms. Lau Yuk Wai, Amy is a beneficiary under the Trust.
- (v) Ms. Lau is a younger sister of Mr. Lau.
- (vi) Ms. Chan is the spouse of Mr. Lau Luen Hung, Joseph, the elder brother of Mr. Lau.
- (vii) Scheme Shares shall include any Shares held by Independent Shareholders, the DBS Group, the Trust, Ms. Lau and Ms. Lau's SPV Entity, Ms. Chan and

exclude all Shares held by the Offeror and Offeror Concert Parties Not Subject to the Scheme.

20. Save for the 1,501, 916,000 Shares, the Company does not have in issue any warrants, options, derivatives, convertible securities or other securities convertible into Shares as at the date of this Petition.

Proposed Sanction Process

21. After careful consideration, the Board has determined that the Scheme is desirable and that the implementation of the Scheme is in the best interests of the Company and its Shareholders. Accordingly, the Board (with the interested directors of the Company abstaining from voting) unanimously approved the Scheme.
22. Scheme Shareholders whose names appear on the register of members of the Company as at the Meeting Record Date (as defined in the Scheme Document) will be entitled to attend and vote on the Scheme at the Court Meeting (as defined below) in person or by proxy. At the Court Meeting, Scheme Shareholders present and voting either in person or by proxy will be entitled to vote their Scheme Shares in favour of the Scheme or against it. Under the Takeovers Code, persons deemed to be acting in concert with the Offeror in connection with the implementation of the Scheme who are also Scheme Shareholders shall not be counted (unless permitted by the Securities and Futures Commission of Hong Kong) for the purposes of satisfying the voting requirements of the Takeovers Code. Therefore, the Offeror Concert Parties Subject to the Scheme will provide undertakings to the Grand Court before the directions hearing for the convening of the Court Meeting before the Grand Court prior to despatch of the Scheme Document that (1) for shares registered in their name, they will not attend and/or vote (either in person or by proxy) at the

meeting of Scheme Shareholders to be held to consider and approve the scheme and for shares which they are beneficially interested, they will procure that the registered holder will not be instructed to, and will not, vote such shares at the meeting of Scheme Shareholders to be held to consider and approve the scheme, and (2) and consent and agree (i) to be bound by the Scheme, and (ii) to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable for the purpose of giving effect to the Scheme, and (b) instruct Counsel to appear on their behalf before the Grand Court of the Cayman Islands and so represent.

23. The Offeror Concert Parties not Subject to the Scheme will provide undertakings to the Grand Court before the directions hearing for the convening of the Court Meeting before the Grand Court prior to despatch of the Scheme Document that (1) for shares registered in their name, they will not attend and/or vote (either in person or by proxy) at the meeting of Scheme Shareholders to be held to consider and approve the Scheme and for shares which they are beneficially interested, they will procure that the registered holder will not be instructed to, and will not, vote such shares at the meeting of Scheme Shareholders to be held to consider and approve the scheme, and (2) consent and agree (i) to be bound by the Scheme, and (ii) to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable for the purpose of giving effect to the Scheme, and (b) instruct Counsel to appear on their behalf before the Grand Court of the Cayman Islands and so represent.

24. The Offeror will also provide an undertaking to the Grand Court before the directions hearing for the convening of the Court Meeting before the Grand Court prior to despatch of the Scheme Document that the Offeror will (a) undertake to the Court and consent and agree (i) to be bound by the terms of the Scheme and (ii) execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable for the purpose of giving effect to the Scheme and (b) to the extent necessary to give effect to the Scheme, instruct Counsel to appear on their behalf before the Grand Court of the Cayman Islands and so represent.
25. The Company intends to make an application for directions herein for declarations and orders that, among other things:
- a. the relevant class of shareholders affected by the Scheme are the Scheme Shareholders;
 - b. the Company be at liberty to convene a meeting of the Scheme Shareholders (the “**Court Meeting**”) for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
 - c. directions as to the mode of delivery of an explanatory statement and proxy form to the Scheme Shareholders; and
 - d. the appointment of a chairman of the Court Meeting and for the conduct of the Court Meeting generally.
26. The resolution intended to be submitted at the Court Meeting is:
- “**THAT** a scheme of arrangement dated [*date*] 2022 (the “**Scheme**”) between the Company and the holders of the Scheme Shares (as defined in the Scheme) in the form of the print thereof which has been produced to this Court Meeting and,

for the purpose of identification signed by the chairman of this Court Meeting, or in such other form and on such terms and conditions or may be approved or imposed by the Grand Court of the Cayman Islands, be and is hereby approved.”

Reduction of Capital

27. Article 6 of the Articles of Association of the Company provides as follows:

“The Company may from time to time by special resolution, subject to any confirmation or consent required by the [Act], reduce its share capital or any capital redemption reserve or other undistributable reserve in any manner permitted by law.”

28. The Company intends to convene an extraordinary general meeting to take place immediately after the Court Meeting at which it is intended to, among other things, submit the resolutions to confirm the Reduction of Capital pursuant to the Scheme and to approve the Restoration of Capital. The resolutions are set out below.

SPECIAL RESOLUTION

1. **“THAT:**
 - (a) pursuant to a scheme of arrangement dated [*date*] 2022 (the **“Scheme of Arrangement”**) between the Company and the Scheme Shareholders (as defined in the Scheme of Arrangement) in the form of the print thereof, which has been produced to this meeting and for the purposes of identification signed by the chairman of this meeting, or in such other form and on such terms and conditions as may be approved or imposed by the Grand Court of the Cayman Islands, on the Effective Date (as defined in the Scheme of Arrangement), the issued shares in the share capital of the Company shall be reduced by the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme of Arrangement); and
 - (b) any one of the directors of the Company be and is hereby authorized to do all acts and things considered by him to be necessary or desirable in connection with the implementation

of the Scheme of Arrangement and the reduction of the number of issued shares in the share capital of the Company pursuant to the Scheme of Arrangement, including (without limitation) giving consent to any modification of, or addition to, the Scheme of Arrangement or the reduction of the number of issued shares in the share capital of the Company which the Grand Court of the Cayman Islands may see fit to impose.”

ORDINARY RESOLUTION

2. **“THAT:**

- (a) subject to and simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) taking effect, the number of issued shares in the share capital of the Company be restored to its former amount by allotting and issuing to the Offeror (as defined in the Scheme of Arrangement), credited as fully paid at par, the same number of shares of HK\$0.005 each in the share capital of the Company as is equal to the number of Scheme Shares cancelled;
- (b) the credit arising in the books of account of the Company consequent upon the reduction of its issued share capital resulting from the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) shall be applied by the Company in paying up in full at par the new shares allotted and issued to the Offeror pursuant to resolution 2(a) above, and any one of the directors of the Company be and is hereby authorized to allot and issue the same accordingly; and
- (c) any one of the directors of the Company be and is hereby authorized to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the restoration of capital pursuant to the Scheme of Arrangement, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme of Arrangement or the restoration of capital, which the Grand Court of the Cayman Islands may see fit to impose.”

29. The form of Minute proposed to be registered is as follows:

*“The issued share capital of **LIFESTYLE INTERNATIONAL HOLDINGS LIMITED** 利福國際集團有限公司 was by virtue of a Special Resolution passed on [2 November] 2022 and with the confirmation of an order of the Grand Court of the Cayman Islands dated [] 2022, reduced from HK\$[7,509,580] divided into [1,501,916,000] shares of par value HK\$0.005 each to HK\$[5,625,488.96] divided into [1,125,097,792] shares of par value HK\$0.005 (the “**Reduction of Capital**”). Immediately upon the Reduction of Capital, the issued share capital of **LIFESTYLE INTERNATIONAL HOLDINGS LIMITED** 利福國際集團有限公司 was restored to HK\$[7,509,580] by allotting and issuing to the Offeror, credited as fully paid at par, [376,818,208] shares of par value HK\$0.005 each.*

*The authorised share capital of the Company, on the registration of this Minute, is HK\$20,000,000 divided into 4,000,000,000 shares of HK\$0.005 each (the “**Shares**”)*

YOUR PETITIONER, THE COMPANY, THEREFORE HUMBLY PRAYS:

- (1) That the Scheme to be approved at the Court Meeting to be convened at the direction of this Honourable Court be sanctioned by the Court so as to be binding on the Company, the Scheme Shareholders and the Offeror.
- (2) That the Reduction of Capital may be confirmed and that the above mentioned minute may be approved by the Court.
- (3) That the preparation of a list of creditors be dispensed with.
- (4) That, to this end, all necessary inquiries may be made and directions may be made and given.
- (5) Such further or other relief as the Court shall see fit.

And your Petitioner will ever pray etc.

Dated this 8th day of September 2022



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

NOTE: It is intended to serve this Petition on LIFESTYLE INTERNATIONAL HOLDINGS LIMITED 利福國際集團有限公司 at its registered office located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Notice of Hearing

This Petition, having been presented to the Court on the day of September 2022, will be heard at the Law Courts, George Town, Grand Cayman on the day of 2022 at a.m. or as soon thereafter as the Petition can be heard.

This Petition is presented by Conyers Dill & Pearman LLP, Attorneys-at-Law, for and on behalf of the Petitioner, whose address for service is that of its said Attorneys-at-Law, Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands.