

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985,
c. C-36, AS AMENDED

BETWEEN:

**MINISO INTERNATIONAL HONG KONG LIMITED, MINISO
INTERNATIONAL (GUANGZHOU) CO. LIMITED, MINISO LIFESTYLE
CANADA INC., MIHK MANAGEMENT INC., MINISO TRADING
CANADA INC., MINISO CORPORATION and GUANGDONG SAIMAN
INVESTMENT CO. LIMITED**

PETITIONERS

AND:

**MIGU INVESTMENTS INC., MINISO CANADA INVESTMENTS INC.,
MINISO (CANADA) STORE INC., MINISO (CANADA) STORE ONE
INC., MINISO (CANADA) STORE TWO INC., MINISO (CANADA)
STORE THREE INC., MINISO (CANADA) STORE FOUR INC., MINISO
(CANADA) STORE FIVE INC., MINISO (CANADA) STORE SIX INC.,
MINISO (CANADA) STORE SEVEN INC., MINISO (CANADA) STORE
EIGHT INC., MINISO (CANADA) STORE NINE INC., MINISO
(CANADA) STORE TEN INC., MINISO (CANADA) STORE ELEVEN
INC., MINISO (CANADA) STORE TWELVE INC., MINISO (CANADA)
STORE THIRTEEN INC., MINISO (CANADA) STORE FOURTEEN INC.,
MINISO (CANADA) STORE FIFTEEN INC., MINISO (CANADA) STORE
SIXTEEN INC., MINISO (CANADA) STORE SEVENTEEN INC., MINISO
(CANADA) STORE EIGHTEEN INC., MINISO (CANADA) STORE
NINETEEN INC., MINISO (CANADA) STORE TWENTY INC., MINISO
(CANADA) STORE TWENTY-ONE INC., MINISO (CANADA) STORE
TWENTY-TWO INC. and 1120701 B.C. LTD.**

RESPONDENTS

FIFTH REPORT OF THE MONITOR

ALVAREZ & MARSAL CANADA INC.

OCTOBER 11, 2019

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1.0 INTRODUCTION

- 1.1 On July 12, 2019, on the application of Miniso International Hong Kong Limited, Miniso International (Guangzhou) Co. Limited, Miniso Lifestyle Canada Inc., MIHK Management Inc., Miniso Trading Canada Inc., Miniso Corporation and Guangdong Saiman Investment Co. Limited (collectively, the “**Petitioners**”), the Supreme Court of British Columbia (the “**Court**”) made an Order (the “**Initial Order**”) granting a stay of proceedings (the “**Stay of Proceedings**”) against or in respect of Migu Investments Inc. (“**Migu**”), Miniso Canada Investments Inc. (“**MC Investments**”), Miniso (Canada) Store Inc. (“**MC Store**”), twenty-two (22) entities named sequentially from “Miniso (Canada) Store One Inc.” to “Miniso (Canada) Store Twenty-Two Inc.” (the twenty-two entities collectively, the “**MC Store Subsidiaries**”, and together with Migu, MC Investments and MC Store, “**Miniso Canada**” or the “**Companies**”), and the JV Affiliates (as defined in the Initial Order) and their assets until July 22, 2019, pursuant to the provisions of the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The proceedings brought by the Petitioners under the CCAA will be referred to herein as the “**CCAA Proceedings**”.
- 1.2 Pursuant to the Initial Order, Alvarez & Marsal Canada Inc. (“**A&M**” or the “**Monitor**”) was appointed as Monitor of the Companies in the CCAA Proceedings.
- 1.3 The Petitioners are part of a group of related corporations that, together, manufacture lifestyle products under the “Miniso” brand name, and operate or licence an international group of retail outlets selling “Miniso” branded inventory. The Petitioners hold security from the parent companies within Miniso Canada, specifically Migu, MC Investments and MC Store. The Petitioners and Miniso Canada are not related parties as defined in the CCAA or through any common ownership.
- 1.4 On July 19, 2019, the Monitor filed the First Report of the Monitor (the “**First Report**”) that described the Monitor’s activities to date, the ongoing review of store leases, and potential lease and JV Interest disclaimers, and the proposed claims process (the “**Claims Process**”).
- 1.5 On July 22, 2019, this Honourable Court granted Orders which, amongst other things, extended the Stay of Proceedings to September 16, 2019 and approved the commencement of the Claims Process (the “**Claims Process Order**”).
- 1.6 On August 19, 2019, the Monitor filed the Second Report of the Monitor (the “**Second Report**”) which described the Monitor’s activities to date, and provided updates regarding the ongoing

review of store operations and leases, the Claims Process and Miniso Canada's interest in rights to use the Miniso brand and sell products in Chile.

- 1.7 On August 22, 2019, this Honourable Court granted an Order to add 1120701 B.C. Ltd. ("**1120**") as a Respondent to the CCAA Proceedings and authorized the Monitor to act as required in relation to the closing of the Amended and Restated Asset Purchase Agreement for the SA Assets.
- 1.8 On September 12, 2019, the Monitor filed the Third Report of the Monitor (the "**Third Report**") which, amongst other things, provided updates in respect of the JV Investors, the proposed Supplier's Charge in favour of Miniso Trading Canada Inc. ("**Miniso Trading**") and the extension of the Stay of Proceedings.
- 1.9 On September 16, 2019, this Honourable Court granted an Order (the "**September 16 Order**") that extended the Stay of Proceedings to November 18, 2019, granted a Supplier's Charge of up to \$4 million, and authorized the Monitor to execute real property lease amendments on behalf of the Respondents. This Honourable Court also granted the 1120 Claims Process Order.
- 1.10 On September 27, 2019, the Monitor filed the Fourth Report of the Monitor (the "**Fourth Report**") which provided an update on the Claims Process in respect of the JV Investors, the proposed plan of compromise and arrangement, the asset sale transactions in Peru and Argentina, and the proposed claim adjudication process (the "**Adjudication Process**").
- 1.11 On October 1, 2019, this Honourable Court granted an Order approving the Adjudication Process (the "**Adjudication Process Order**").
- 1.12 The Initial Order along with select application materials and other documents filed in the CCAA Proceedings are posted on the Monitor's website at www.alvarezandmarsal.com/minisocanada.

2.0 PURPOSE OF THE MONITOR'S FIFTH REPORT

- 2.1 This is the fifth report of the Monitor (the "**Fifth Report**") and has been prepared to provide this Honourable Court with information regarding the following:
 - a) A comparison of actual cash receipts and disbursements to the Revised CCAA Cash Flow Forecast for the period from August 31, 2019 to September 27, 2019;
 - b) An update on the Claims Process, the Adjudication Process and certain late-filed Claims;
 - c) An update with respect to the asset sale transactions in Peru and Argentina;
 - d) A discussion of the terms of the proposed transaction pursuant to which two of the Petitioners, together with a related entity, will acquire substantially all of the assets of Miniso Canada by way of a credit bid and a cash payment, which cash payment will fund

distributions under a Plan of Compromise, Arrangement and Reorganization (the “**Plan**”) that certain of the MC Store Subsidiaries (discussed below) intend to propose to their creditors;

- e) Information regarding, and the Monitor’s comments in respect of, the Migu Plan Companies’ (as subsequently defined) request for an order (the “**Meeting Order**”) from this Honourable Court authorizing the Migu Plan Companies to hold the meeting of creditors on November 1, 2019; and
 - f) The Monitor’s recommendations with respect to both the Plan and the Meeting Order.
- 2.2 The Fifth Report should be read in conjunction with the Monitor’s application materials dated October 10, 2019, and other materials filed in the CCAA Proceedings (collectively, the “**Filed Materials**”), as background information contained in the Filed Materials has not been included herein to avoid unnecessary duplication. Capitalized terms which are not defined herein have meaning given to them in the Filed Materials and the Plan.

3.0 TERMS OF REFERENCE

- 3.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of the Companies (“**Management**”) and the Petitioners. Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management, the Petitioners or otherwise provided by the Companies. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this report, or otherwise used to prepare this report.
- 3.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by Management and/or the Petitioners. An examination or review of financial forecasts and projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projections and the variations could be significant.
- 3.3 Unless otherwise stated, all monetary amounts contained in this Fifth Report are expressed in Canadian dollars.

4.0 ACTIVITIES OF THE MONITOR SINCE THE THIRD REPORT

4.1 Since the Third Report and up to and including the date of this Fifth Report, the Monitor's activities have included the following:

- a) Assisted with the day-to-day operations of the Companies;
- b) Communicated with and attended to various inquiries from trade creditors, landlords, JV Investors and other stakeholders;
- c) Engaged in various discussions with Miniso Lifestyle Canada Inc. (the "**Manager**" or "**Miniso Lifestyle**") and Miniso Canada's real estate consultant, Oakmont Real Estate Services ("**Oakmont**"), to facilitate lease amendments for renegotiated leases;
- d) Managed the Claims Process in accordance with the Claims Process Order;
- e) Reviewed proofs of claims received with Miniso Canada personnel, corresponded with creditors regarding their proofs of claim and issued Notices of Revision and Disallowance ("**NORDs**") as deemed appropriate;
- f) Issued disclaimers to disclaim certain service contracts and certain equipment leases that are either uneconomical for the Companies or are no longer required due to the issuance of various premises lease disclaimers;
- g) Upon discussion with the Manager and the Companies' counsel, prepared employee termination letters to 17 warehouse employees at the Richmond warehouse, which provided working notice for each employee;
- h) Continued monitoring of disbursement approvals, cash flow reporting and daily sales reporting;
- i) Engaged in various matters related to the anticipated asset sale closings in Peru and Argentina;
- j) Prepared and filed court materials (including the Fourth Report) with this Honourable Court to seek the Adjudication Process Order; and
- k) Engaged in discussions with the Petitioners and their counsel, the Companies' counsel, various landlords' counsel and certain JV Investors' counsel to develop the strategy with respect to the Plan.

5.0 CASH FLOW VARIANCES FOR PERIOD ENDED SEPTEMBER 27, 2019

5.1 As part of the ongoing oversight and monitoring of the business and financial affairs of Miniso Canada, the Monitor has set-up a weekly cash flow review protocol with the Companies and the Manager to compare actual cash flows against the Revised CCAA Cash Flow Forecast. The Companies' actual cash receipts and disbursements as compared to the Revised CCAA Cash

Flow Forecast for the period from August 31, 2019 to September 27, 2019 are summarized below:

Miniso Canada Revised CCAA Cash Flow Forecast For the 4-week period ended September 27, 2019 (C\$000s)			
4-Week Period Ended	Budget 27-Sep	Actual 27-Sep	Variance 27-Sep
Receipts			
Sales	\$ 4,698	\$ 5,140	\$ 442
Other receipts	\$ 60	\$ 66	6
Total Receipts	<u>4,758</u>	<u>5,206</u>	<u>448</u>
Disbursements			
Payments to Miniso Trading	1,500	1,500	-
Vendor and supplier payments	235	234	(1)
Construction of new stores	174	159	(15)
Payroll, benefits and payroll taxes	1,286	1,459	173
Store operating disbursements	313	251	(62)
Rent and property taxes	1,549	1,238	(311)
Professional fees	583	454	(129)
Liquidation fees	165	66	(99)
Other general and administrative costs	36	47	11
GST/PST/HST/QST	70	-	(70)
Management fees	50	108	58
Contingency	80	-	(80)
Total Disbursements	<u>6,040</u>	<u>5,517</u>	<u>(524)</u>
Net Cash Flow	(1,282)	(311)	972
Cash Position			
Opening Cash Position	3,120	3,120	-
DIP funding	-	-	-
Closing Cash Position	<u>\$ 1,838</u>	<u>\$ 2,809</u>	<u>\$ 972</u>

- 5.2 The Companies experienced a net favourable cash flow variance of \$972,000 over the period ended September 27, 2019. The principal components of the variance are described as follows:
- Sales receipts were \$442,000 higher than forecast due to the liquidation sales at 24 closed locations that concluded on September 21, 2019;
 - Payroll costs were \$173,000 higher than budget during the period largely due to the retention bonuses paid to employees at closed stores;
 - As anticipated in the Revised CCAA Cash Flow Forecast, Miniso Trading was paid \$1.5 million for post-filing inventory supplies;

- d) Rent and property taxes were lower than forecast by \$311,000 as the forecast rent for September did not fully account for the impact from closed stores;
- e) Professional fees were lower than forecast due to timing differences in processing invoices from the Companies' counsel, and the Monitor and its counsel, and such differences are anticipated to reverse in the near term; and
- f) Management fees of \$58,000 were higher than budget due to the reversal of a timing difference noted in the Monitor's Third Report.

5.3 No DIP advances have been drawn by the Companies to date.

5.4 Further to this Honourable Court granting a Supplier's Charge of up to \$4 million to Miniso Trading on September 16, 2019, Miniso Trading has been supplying inventory to the Companies on credit. For the two weeks ended September 30, 2019, inventory supplied totaled \$495,545.

6.0 UPDATE ON THE CLAIMS PROCESS AND THE ADJUDICATION PROCESS

6.1 As at the date of this report, the Monitor has issued 104 NORDs to various JV Investors, landlords and trade creditors. The Monitor is still in the process of reviewing various landlord and other Restructuring Claims against the Companies. Below is a summary of the Monitor's adjudication results to date:

Miniso Canada - Adjudication of Claims by Entity ^{1,2}						
Entities	# Claims Received	Value of Claims Received (\$'000)	Value of Claims Allowed (\$'000)	Value of Claims Disallowed (\$'000)	Restructuring Claims to be Adjudicated (\$'000)	
Migu Plan Companies						
Miniso (Canada) Store One Inc.	7	\$ 2,535	\$ 46	\$ 1,546	\$ 943	
Miniso (Canada) Store Three Inc.	2	17	17	-	-	
Miniso (Canada) Store Four Inc.	6	390	22	367	-	
Miniso (Canada) Store Five Inc.	5	87	76	11	-	
Miniso (Canada) Store Eight Inc.	3	872	170	-	701	
Miniso (Canada) Store Nine Inc.	11	747	200	547	-	
Miniso (Canada) Store Ten Inc.	4	1,178	35	50	1,093	
Miniso (Canada) Store Eleven Inc.	8	14,903	115	88	14,700	
Miniso (Canada) Store Twelve Inc.	11	12,526	398	3,570	8,558	
Miniso (Canada) Store Thirteen Inc.	6	405	217	187	-	
Miniso (Canada) Store Fourteen Inc.	1	25	25	-	-	
Miniso (Canada) Store Twenty-One Inc.	3	3,437	5	-	3,432	
Subtotal	67	\$ 37,121	\$ 1,327	\$ 6,366	\$ 29,427	
Entities Outside of the Plan						
Migu Investments Inc.	4	\$ 38,827	\$ 38,459	\$ 368	\$ -	
Miniso Canada Investments Inc.	144	20,288	4,122	13,697	2,440	
Miniso (Canada) Store Inc.	10	1,349	161	-	1,218	
Miniso (Canada) Store Two Inc.	2	26	26	-	-	
Miniso (Canada) Store Six Inc.	3	3,100	3	49	3,049	
Miniso (Canada) Store Seven Inc.	1	5	5	-	-	
Miniso (Canada) Store Fifteen Inc.	2	1,681	0	-	1,680	
Miniso (Canada) Store Sixteen Inc.	3	315	12	34	269	
Miniso (Canada) Store Seventeen Inc.	7	15,827	217	-	15,610	
Miniso (Canada) Store Eighteen Inc.	-	-	-	-	-	
Miniso (Canada) Store Nineteen Inc.	-	-	-	-	-	
Miniso (Canada) Store Twenty Inc.	-	-	-	-	-	
Miniso (Canada) Store Twenty-Two Inc.	-	-	-	-	-	
Subtotal	176	\$ 81,418	\$ 43,006	\$ 14,147	\$ 24,265	
Total	243	\$ 118,539	\$ 44,333	\$ 20,514	\$ 53,692	

Note 1: \$15.4 million of JV claims are made to multiple entities; Monitor has entered all the multiple JV claims under MCI for recording purposes.

Note 2: The above table excludes any Late Claims (defined below).

- 6.2 The deadline for parties who received a NORD to submit a Notice of Dispute (“**NOD**”) expired on October 7, 2019 (the “**NOD Deadline**”). Prior to expiry of the NOD Deadline, the Monitor received 14 NODs, including one from a Continuing JV Investor. Subsequent to the NOD Deadline, the Monitor received 60 NODs from Remaining JV Investors. The Monitor issued a total of 64 NORDs to Remaining JV Investors (as defined in the Fourth Report), meaning 4 Remaining JV Investors have not yet taken steps to dispute the NORD that was issued to them.
- 6.3 The Monitor is working with the creditors to resolve the NODs where possible, and will provide an update to this Honourable Court on the results of the Monitor’s efforts in its subsequent reports.

Adjudication Process

6.4 Pursuant to the Adjudication Process Order, the following claims are to be adjudicated:

- a) Any application by the JV Investors seeking to appeal a NORD solely in respect of their claims against any one of more of the MC Subsidiaries;
- b) The application of the Petitioners to seek declarations as to the Petitioners' Claim and the validity, enforceability and priority of any security interests asserted in respect thereof.

6.5 Any Notices of Application in respect of these applications, and all affidavits in support thereof, shall be filed and served on the service list on or before October 11, 2019. To date, the Monitor has not received any materials in relation to the applications.

Late-filed Proof of Claims

6.6 The Monitor has received 15 Claims totaling \$11.9 million after the applicable bar dates (the **"Late Claims"**).

6.7 Pursuant to sections 16 and 19 of the Claims Process Order, the Monitor may accept late "Pre-Filing" claims from any persons with the prior written consent of the Respondents and the Petitioners, or alternatively, by order of this Honourable Court. Similarly, the Monitor may accept late "Restructuring Claims" with consent of the Respondents, or alternatively, by order of this Honourable Court.

6.8 For purposes of presenting and voting on the Plan, the Monitor is of the view that the treatment of the Late Claims where those claims were filed against the Migu Plan Companies (subsequently defined and discussed) needs to be determined (the **"Migu Plan Late Claims"**). Below is a table listing the ten Migu Plan Late Claims:

Migu Plan Late Claims received as at October 9, 2019			
Name of creditor	Nature of claim	Claim against	Amount (\$)
1 First Capital (Bayview) Corporation	Bayview - Restructuring claim	Miniso (Canada) Store Nine Inc.	767,529
2 First Capital (Chartwell) Corporation	Chartwell - Restructuring claim	Miniso (Canada) Store Nine Inc.	665,516
3 First Capital (St. Catherines) Corporation	Fairview Mall - Restructuring claim	Miniso (Canada) Store Nine Inc.	533,962
4 SREIT (Oakville) Ltd.	Maple Grove - Restructuring claim	Miniso (Canada) Store Nine Inc.	334,546
5 First Capital (Meadowvale) Corporation	Meadowvale - Restructuring claim	Miniso (Canada) Store Nine Inc.	679,781
6 First Capital (Morningside) Corporation	Morningside - Restructuring claim	Miniso (Canada) Store Nine Inc.	565,714
7 FCHT Holdings (Ontario) Corporation	Parkway Mall - Restructuring claim	Miniso (Canada) Store Nine Inc.	606,478
8 The Body Shop Canada Limited	Pre-filing - rent claim (Robson)	Miniso (Canada) Store Three Inc.	75,677
9 9376-6319 Quebec Inc. (Galerie d'Anj)	Pre-filing - JV Claim	Miniso Canada Investments Inc. and Miniso (Canada) Store Eleven Inc. Directors' & Officers' Claim	49,144
10 A&J Ontario Corp. (Yonge & Sheppard)	Pre-filing - JV Claim	Miniso Canada Investments Inc. and Miniso (Canada) Store Twelve Inc. Directors' & Officers' Claim	72,446
Total			4,350,792

6.9 The Petitioners have consented to allow the Migu Plan Late Claims for determination in the Claims Process. As at the date of this report, the Monitor has not received an indication from the Respondents that they will allow any of the Migu Plan Late Claims to be accepted for adjudication under the Claims Process.

6.10 The Monitor has reviewed all the Migu Plan Late Claims and notes that, while the above claims were filed late, all of these claims were expected by the Monitor as the relevant creditors were either known to the Monitor as parties who may potentially file a claim against the Migu Plan Companies, or the claims arise from lease disclaimers issued by the Monitor.

6.11 Should the Migu Plan Late Claims be accepted for filing and adjudication, the Monitor anticipates allowing Migu Plan Late Claims totaling approximately \$800,000, of which approximately \$725,000 would be considered to be “Affected Claims” under the Plan, and the remainder of \$75,000 of the claims would ultimately be funded by the Petitioners pursuant to the assignment of leases expected on implementation of the Plan.

6.12 It appears to the Monitor that the Migu Plan Late Claims were filed after their respective bar dates due to inadvertence, and that it does not appear to the Monitor that the other creditors would be substantially prejudiced if the Migu Plan Late Claims are allowed for filing and adjudication, as the claims were all anticipated by the Monitor and will likely not significantly impact the recovery

of other creditors. Accordingly, the Monitor recommends that this Honourable Court accept the Migu Plan Late Claims for filing.

7.0 CLOSING OF THE TRANSACTIONS IN PERU AND ARGENTINA

- 7.1 The transaction related to the sale of the Peruvian Miniso assets has closed and the SA Purchaser has confirmed that US\$2.7 million has been sent to the Escrow Agent (Heritage Trust Company Inc.). There have been complications in wiring the funds from South America to Canada, and, accordingly, as at the date of this report, the Escrow Agent has not confirmed the receipt of the funds. Upon receipt of confirmation that the funds have been received by the Escrow Agent and in accordance with the terms of the Escrow Agreement, the Monitor will have 20 days to advance any claims on behalf of Miniso Canada, 1120 and/or Bright Migu International Ltd. against the Miniso Peruvian entities.
- 7.2 The transaction related to the sale of the Argentinian assets has not closed and the parties appear to be working towards finalizing the sale in the near term.
- 7.3 The Monitor will provide updates in respect of any claims advanced against the Escrow Agent in respect of the Peruvian funds and the closing of the asset sale in Argentina in its subsequent reports.

8.0 THE PROPOSED ACQUISITION AGREEMENT AND PLAN OF ARRANGEMENT

- 8.1 As noted in the Fourth Report, the Petitioners provided a letter to the Monitor outlining certain terms that would form the basis of the Plan and related transactions. Two of the Petitioners, namely Miniso Trading and Miniso Lifestyle, together with an affiliated company, Miniso Franchise Canada Inc. (collectively, the “**Purchasers**”) have now formalized their intention to acquire all assets and operations (where applicable) owned by:
- a) twelve of the MC Store Subsidiaries: Miniso (Canada) Store One Inc., Miniso (Canada) Store Three Inc., Miniso (Canada) Store Four Inc., Miniso (Canada) Store Five Inc., Miniso (Canada) Store Eight Inc., Miniso (Canada) Store Nine Inc., Miniso (Canada) Store Ten Inc., Miniso (Canada) Store Eleven Inc., Miniso (Canada) Store Twelve Inc., Miniso (Canada) Store Thirteen Inc., Miniso (Canada) Store Fourteen Inc. and Miniso (Canada) Store Twenty-One Inc. (collectively, the “**Migu Plan Companies**”); and
 - b) Migu, MC Investments and MC Store (the “**Migu Parent Companies**”, and collectively with the Migu Plan Companies, the “**Migu Vendors**”).
- 8.2 The Migu Plan Companies hold the store leases, together with fixtures and leasehold improvements in relation to the continuing stores that the Purchasers will acquire and continue to

operate following the restructuring transaction. The Migu Parent Companies (primarily through MC Investments) hold all of the inventory, certain office, store and warehouse leases, and intercompany receivables due from the MC Store Subsidiaries.

- 8.3 The Purchasers intend to acquire the assets and operations through a proposed acquisition agreement (the “**Acquisition Agreement**”), by way of a credit bid of a portion of the Petitioners’ secured debt held against the Migu Parent Companies, the assumption of certain liabilities and a cash payment, and through the Plan to be presented in respect of the Migu Plan Companies and their creditors.
- 8.4 It is not anticipated that a plan will be presented to the creditors of the Migu Parent Companies, the remaining 10 MC Store Subsidiaries, or 1120. Leases previously held by the 10 MC Store Subsidiaries have been disclaimed and otherwise these entities have no assets, only claims against them. The Migu Plan Companies and the other (excluded) Respondents are listed in the following table:

Migu Plan Companies	Other Respondents
Miniso (Canada) Store One Inc.	Migu Investments Inc.
Miniso (Canada) Store Three Inc.	Miniso Canada Invesments Inc.
Miniso (Canada) Store Four Inc.	Miniso (Canada) Store Inc.
Miniso (Canada) Store Five Inc.	Miniso (Canada) Store Two Inc.
Miniso (Canada) Store Eight Inc.	Miniso (Canada) Store Six Inc.
Miniso (Canada) Store Nine Inc.	Miniso (Canada) Store Seven Inc.
Miniso (Canada) Store Ten Inc.	Miniso (Canada) Store Fifteen Inc.
Miniso (Canada) Store Eleven Inc.	Miniso (Canada) Store Sixteen Inc.
Miniso (Canada) Store Twelve Inc.	Miniso (Canada) Store Seventeen Inc.
Miniso (Canada) Store Thirteen inc.	Miniso (Canada) Store Eighteen Inc.
Miniso (Canada) Store Fourteen Inc.	Miniso (Canada) Store Nineteen Inc.
Miniso (Canada) Store Twenty-One Inc.	Miniso (Canada) Store Twenty Inc.
	Miniso (Canada) Store Twenty-Two Inc.
	1120701 B.C Ltd.

The Acquisition Agreement

- 8.5 Through the Acquisition Agreement, the Purchasers intend to acquire the following assets and rights from the Migu Vendors, on an “as is, where-is” basis (the “**Purchased Assets**”), including:
- the Migu Vendors’ interests in the corporate and JV Interest stores (i.e. 51% interests held by MC Investments) which includes the furniture, fixtures and equipment;
 - the inventory owned by MC Investments;
 - the leases for operating stores that are to be assumed (the “**Assumed Leases**”), the Migu Vendors’ interest in said premises and any leasehold improvements;

- d) contracts the Purchaser wishes to acquire (including employee contracts and a licence agreement for four stores to be located in select Walmart locations in Canada);
 - e) the books and records of the Migu Vendors; and
 - f) cash remaining at the end of the CCAA Proceedings (as subsequently discussed).
- 8.6 Assets held by the Migu Vendors that are excluded from the Purchased Assets include:
- a) cash on hand or on deposit at closing;
 - b) proceeds from the sale of assets in Quebec;
 - c) shares and capital of the Migu Vendors and all subsidiaries; and
 - d) proceeds that may flow into the Migu Vendors from 1120 and any claims advanced by the Monitor against funds to be held by the Escrow Agent.
- 8.7 The consideration payable by the Purchaser to the Migu Vendors for the Purchased Assets (the **“Purchase Price”**) shall be:
- a) in respect of the Assumed Leases, the Purchaser’s assumption on the Closing Date of all of the Tenants’ obligations and liabilities under the Assumed Leases including any pre-filing rent that may be outstanding; and
 - b) in respect of the remaining Purchased Assets:
 - 1) a credit bid in an amount equal to the fully costed and audited inventory balance as at the Closing Date, plus the fair value of the acquired furniture, fixtures and equipment, plus \$2.0 million (collectively, the **“Credit Bid”**); and
 - 2) cash in the amount of \$550,000 (the **“Cash Payment”**).
- 8.8 The Credit Bid will be paid by way of set-off against firstly, debt outstanding to Miniso Trading for post-filing inventory purchases by Miniso Canada, and, thereafter, the pre-filing secured debt of the Petitioners, for which a Claim of \$38.5 million was submitted to the Monitor. Once fully costed post-closing, the Credit Bid is not anticipated to exceed \$25 million thus leaving a significant secured debt against MC Investments, Migu and MC Store, which would permit the Petitioners to seek distributions in the future from MC Investments, Migu and MC Store for value obtained from assets that are excluded from the Acquisition Agreement.
- 8.9 Cash on hand at closing will be paid to the Monitor in order to fund the post-filing accrued debts of Miniso Canada, outstanding and forecast professional fees, and potential wind-up costs related to Miniso Canada. In the event cash holdings of the Migu Vendors are insufficient to fund such costs, the Purchasers will provide additional funding to the Monitor at closing. At the conclusion of the CCAA Proceedings any remaining cash held by the Monitor will be paid to the Purchasers.

- 8.10 The Petitioners were granted security over the assets of Migu, MC Investments and MC Store, but did not register their security interests in the Province of Quebec. It is the Monitor's view that the Petitioners do not have a perfected security interest over Quebec-based assets of Migu, MC Investments and MC Store. Accordingly, any realizations from assets in Quebec, including the planned sale of inventory at four Quebec locations to Mr. Bin Wu (as described in the Third Report), are excluded from the Acquisition Agreement. Upon closing of such transactions, the funds generated from the sale of inventory in Quebec will be attributed to MC Investments and excluded from remittances to the Purchasers.
- 8.11 The Acquisition Agreement provides for all employees (over 450) of the Migu Vendors to be offered employment by the Purchasers on the same terms as their current employment with MC Investments, and recognition of past service.
- 8.12 With all employees being assumed by the Purchasers, the Purchasers will provide transition services and support to the Monitor in order to complete the post-closing payment of accrued expenses, accounting and other services required by the Migu Vendors.
- 8.13 The Acquisition Agreement is anticipated to close 10 business days after an approval and vesting order is granted by this Honourable Court. It is anticipated that such approval will be sought at the sanction hearing.
- 8.14 A copy of the latest draft of the Acquisition Agreement is attached as **Appendix A**.

The Plan

- 8.15 In accordance with the Acquisition Agreement, the Purchasers have agreed to make the Cash Payment to effect the Plan and compromise the Affected Claims against the Migu Plan Companies. Affected Claims, after considering the Migu Plan Late Claims, comprise:
- a) Pre-filing Claims and Restructuring Claims of landlords with proposed Affected Claims of approximately \$5.7 million; and
 - b) Trade creditor claims of approximately \$1.2 million.
- 8.16 JV Investor claims totaling \$12.9 million have been disallowed and are not considered to be Affected Claims for the purposes of the Plan. Such claims will be determined pursuant to the Adjudication Process.
- 8.17 Highlights of the Plan are summarized as follows:
- a) For the purpose of the Plan, there will be a single class of creditors: the Affected Creditors Class;

- b) The Purchasers will fund the Cash Payment to form an Affected Creditors Pot that will be paid to the Monitor for distribution to the Affected Creditors, which is anticipated to translate to a payout of approximately 7.5% to all Affected Creditors with Proven Claims;
- c) For the purpose of voting, an Affected Creditor may vote and be counted as one creditor with a vote equivalent to the value of its Proven Claim;
- d) Affected Creditors owed up to and including \$1,500 will be paid in full (the “**Convenience Creditors**”);
- e) Affected Creditors are able to elect to reduce their claims to \$1,500 and become Convenience Creditors for distribution purposes;
- f) Convenience Creditors are deemed to vote in favour of the Plan for the full amount of their Proven Claim and shall not be entitled to vote against the Plan at the Meeting in respect of Proven Claims;
- g) Related parties to the Migu Plan Companies will not receive any distributions in respect of any Claims;
- h) Unaffected Creditors (including the Petitioners and related parties) are not entitled to vote at the Meeting in respect of their Unaffected Claims;
- i) The Plan is offered in full and final satisfaction of the pre-filing claims of the Affected Creditors; and
- j) The Plan also provides for a release against the directors and officers of the Migu Plan Companies, the Migu Plan Companies, the legal and financial advisors to the Respondents, the Monitor and its legal advisors, and the Petitioners and their legal and financial advisors.

8.18 In respect of directors and officers, Claims are defined in the Plan as claims which directors and officers are liable for by statute or otherwise by law to pay in their capacity as a director or officer of the Migu Plan Companies. The release of directors and officers noted in paragraph 8.17(j) above is similarly limited to these Claims.

8.19 The Petitioners, the Monitor and the majority of the landlords, through their respective counsel, who have filed Restructuring Claims against the Migu Plan Companies, have been in discussions throughout the development of the Plan. Based on the discussions to date, the Monitor anticipates that the Plan, as outlined above, will be supported by the majority of Affected Creditors.

8.20 Discussions have been held between the Petitioners, the Monitor and counsel for many JV Investors regarding potential scenarios under which such claims may be considered in a plan. However, no definitive agreement has been reached. In the event of an agreement being reached between the parties, a new plan would need to be developed and presented.

8.21 Tabled below is the current estimate of Affected Claims to be included in the Plan, and select Unaffected Claims:

Migu Plan Companies' claims - as at October 8, 2019						
	Total submitted claim	# of Allowed Claims/ Locations	Admitted/ Proposed to be admitted	Disallowed/ Revised	Unaffected Claim (Purchaser to fund)	
\$'000						
Landlord Claims						
- Pre-filing claims ²	4,077	14	\$ -	\$ 3,847	\$ 230	
- Claims from disclaimed locations ¹	35,015	23	5,673	29,342	-	
Other Claims ³	2,258	16	1,173	1,085	-	
Total	41,350	53	6,846	34,274	230	
JV Claims ⁴						
- JV Yes Continuing Stores ³	5,734	-	-	5,734	-	
- Other JV Claims ³	7,152	-	-	7,152	-	
Total (including JV Claims)	54,236	53	\$ 6,846	\$ 47,160	\$ 230	

Note 1: Includes the Migu Plan Late Claims filed by First Capital.

Note 2: Pre-filing claims are for locations not disclaimed and are considered Unaffected Claims per the Plan. Amount includes the late-filed claim from the Body Shop in the amount of \$75,677.

Note 3: Includes other Migu Plan Late Claims.

Note 4: Disallowed JV claims against the Migu Plan Companies totalled \$12.9 million.

8.22 As previously noted, the Monitor has received 14 NODs from various parties who have made claims against the Companies. Should the Affected Claims of these parties be allowed whether by negotiation or by an order from this Honourable Court, in amounts that increase the total Affected Claims above \$6.85 million, the final payout percentage will decrease.

8.23 The Plan complies with s. 6(3) of the CCAA as it contains a provision that, within six months after the Sanction Order, the Companies will pay in full to Her Majesty in Right of Canada or of a province all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- subsection 224(1.2) of the *Income Tax Act* (the “ITA”);
 - any provision of the *Canada Pension Plan Act* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the ITA and provides for the collection of contributions, premiums, and any related interest, penalties or other amounts; or
 - any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA
- (collectively, the “Crown Priority Claims”).

8.24 The Plan does not affect the claims of Unaffected Creditors, including any Claims in relation to leases that were not disclaimed by the Companies, and these obligations will continue following completion of the CCAA Proceedings.

8.25 The Plan provides for a compromise of the debts of the Affected Creditors, which may trigger debt forgiveness provisions under the ITA. At this stage, the impact to the Migu Plan Companies from the potential debt forgiveness has not been considered with Miniso Canada's tax advisors.

8.26 At present there is no plan in place to deal with the resolution of claims against, and any residual assets of, MC Investments and 1120. The Monitor will report to this Honourable Court when definitive plans are in place in this regard.

8.27 A copy of the Plan is attached as **Appendix B**.

9.0 THE PROPOSED MEETING ORDER

9.1 The Migu Plan Companies are making an application to this Honourable Court for approval of the Meeting Order, which contemplates a meeting of the Affected Creditors to consider and vote on the Plan (the "**Meeting**").

9.2 Subject to the Meeting Order being granted by this Honourable Court, the Meeting will take place at 10:00am (Vancouver time) on November 1, 2019 at the offices of Dentons Canada LLP, counsel for the Monitor, located at 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R1, and will be chaired by a representative of the Monitor. The Chair is authorized to adjourn, postpone, or reschedule the Meeting or the vote without the need to first convene the Meeting, and shall decide on the manner of giving notice of the rescheduled meeting.

9.3 Voting will be done by voting letter, in person, or by proxy. Pursuant to the CCAA, creditors holding over 50% in number representing at least 2/3 in value of the Claims present and voting is required for approval of the Plan.

9.4 Convenience Creditors are deemed to vote in favour of the Plan for the full amount of their Proven Claims and any proxy filed by or on behalf of a Convenience Creditor shall not be valid.

9.5 The Monitor will provide notice of the Meeting as follows:

- a) Publish the Notice of Meeting for one business day in the National Post as soon as practicable following the granting of the Meeting Order;
- b) Post a copy of the Meeting Materials on its website no later than October 16, 2019; and

- c) Send the Meeting Materials to the Affected Creditors by no later than October 16, 2019 to the addresses appearing on the Affected Creditors' Proof of Claim by ordinary mail, courier, email or fax.
- 9.6 The Monitor notes that the notice period for Affected Creditors to consider the Plan is 17 days, which is shorter than the typical 21-day notice period for creditors' meeting under the *Bankruptcy and Insolvency Act*. Accordingly, the Monitor is planning to dispatch the Meeting Materials by email to Affected Creditors that have provided their email addresses, and via mail to all Affected Creditors.
- 9.7 An Affected Creditor wishing to make an election to be treated as a Convenience Creditor under the Plan must deliver a Convenience Creditor Election to the Monitor by 5:00pm (Vancouver time) on October 30, 2019.
- 9.8 If the Plan is approved by the Affected Creditors, the Migu Plan Companies intend to bring an application to this Honourable Court to seek an order to approve the Plan (the "**Sanction Order**") on November 6, 2019 or as soon thereafter as the matter may be heard.
- 9.9 Copies of the application materials in relation to the Sanction Order will be posted to the Monitor's website as soon as practicable following the granting of the Meeting Order. Parties who wish to oppose the Sanction Order application must serve their responses as prescribed by the British Columbia Supreme Court Civil Rules on the Petitioners and their counsel, the Respondents and their counsel, the counsel for the Monitor, and all parties on the Service List by no later than 10:00am (Vancouver time) on November 5, 2019.
- 9.10 The proposed timeline for the Meeting, the approval of the Acquisition Agreement, Plan sanction and implementation, and the closing activities is summarized as follows:

Proposed timeline	
Activity	Deadline
Meeting Order granted by this Honourable Court	October 15, 2019
Monitor to post a copy of the Meeting Materials on its website and send the Meeting Materials to the Affected Creditors	No later than October 16, 2019
Monitor to publish the Notice of Meeting for one business day in the National Post Monitor to post copies of the application materials in relation to the Sanction Order	As soon as practicable following the granting of the Meeting Order
Affected Creditor wishing to make an election to be treated as a Convenience Creditor to deliver a Convenience Creditor Election to the Monitor, or otherwise to submit a Proxy for voting	October 30, 2019 by 5:00pm (Vancouver time)
Meeting to be held	November 1, 2019 at 10:00am (Vancouver time)
If the Plan is approved by the Affected Creditors:	
Parties who wish to oppose the Sanction Order application must serve their responses in accordance the Meeting Order	By November 5, 2019, no later than 10:00am (Vancouver time)
Hearing of application to this Honourable Court to seek the Sanction Order	November 6, 2019 or as soon thereafter as the matter may be heard
Approval and Vesting Order for the Acquisition Agreement to be sought from this Honourable Court	
Closing Date for the Acquisition Agreement	10 business days following the date of the Approval and Vesting Order
Effective Date for the Plan - day on which the Monitor confirms to the Petitioners and Debtors in writing that each of the Conditions Precedent in the Plan have been satisfied or waived	By November 16, 2019
Distribution to Affected Creditors	15 days following the Effective Date
Payment of Crown Priority Claims outstanding as of the Filing Date	Within six months after the granting of the Sanction Order

9.11 As soon as practicable following the Meeting, the Monitor shall report to the Court on the results of the voting of the Affected Creditors on the Resolution and any other matters the Monitor considers relevant to the Migu Plan Companies' application for the Sanction Order.

10.0 THE MONITOR'S OBSERVATIONS

10.1 Tabled below is an indicative analysis of the potential realizations available for creditors of the Migu Plan Companies under a liquidation scenario. Based on the information on hand and assumptions which are discussed below, it is anticipated that the rate of return for the creditors could range from 0.3% to 1.8%, and may ultimately be nil.

Indicative Liquidation Analysis in Bankruptcy for the Migu Plan Companies As at October 8, 2019			
	Migu Plan Companies (37 stores)		
\$'000	Book value (Jul 11, 19)	Low	High
Assets	19,267	350	700
Professional fees and realization costs		(250)	(250)
Net Realizations		100	450
Liabilities:			
Unsecured claims	Claims received		
- JV claims	12,886	-	-
- Landlord claims for disclaimed locations	35,016	8,510	5,673
- Landlord claims for not disclaimed locations	4,076	16,518	11,012
- Intercompany claims (MC Investment AR)	-	7,344	7,344
- Other vendors	2,258	2,258	1,173
Estimated unsecured claims	54,236	34,630	25,202
% of realization for unsecured creditors		0.3%	1.8%

10.2 Comments on the liquidation analysis are presented as follows:

- The Migu Plan Companies have no cash resources on hand as all cash is swept by MC Investments to fund operations including payments for inventory to Miniso Trading;
- Inventory located at the 37 stores operated under the Migu Plan Companies is owned by MC Investments, thus producing no realization for creditors of the Migu Plan Companies in a liquidation;
- The majority of the book value recorded for the Migu Plan Companies as at July 11, 2019 relates to leasehold improvements and furniture and fixtures. Based largely on the limited value generated in the recent liquidation of 24 stores, it is assumed that limited realizations would be available from the equipment and fixtures at the 37 stores;
- The potential value of the lease portfolio held by the Migu Plan Companies was considered with Oakmont, and it was determined that, given the current retail environment and recency of the leases, limited to no resale value would be available from the portfolio of 37 leases,

- or from individual leases, and that it could take an extended period to market such leases, which would not be feasible considering the cost of holding each location in a liquidation;
- e) Professional fees and other realization costs are estimated to be approximately \$250,000 for the liquidation of the 12 entities and 37 store locations;
 - f) Potential liabilities in a liquidation scenario reflect anticipated accepted claims out of the \$54.2 million of submitted Claims against the Migu Plan Companies and expected claims of up to \$23.9 million from (1) landlords whose leases are currently not disclaimed, and (2) intercompany claims from MC Investments, which would form part of the provable claims against the estates under a bankruptcy scenario;
 - g) Claims from the JV Investors are assumed to be disallowed in a liquidation as they do not appear to have valid debt claims against the Migu Plan Companies; and
 - h) Potential accepted landlord claims were estimated based on re-leasing scenarios discussed with Oakmont which would assume mitigation for a significant portion of the landlords' claims, particularly where claims have been submitted for the balance of the term of the disclaimed lease.

10.3 The Plan, supported by the Acquisition Agreement, allows for the following:

- a) An anticipated recovery for Affected Creditors of approximately 7.5% on their Affected Claims which exceeds what may be expected in a liquidation scenario;
- b) Preservation and continuance of the core business of Miniso Canada, which in turn preserves employment for over 450 employees, and provides an ongoing customer or tenant for many vendors and landlords, respectively;
- c) With the consent of the Purchasers, Claims that may be presented by MC Investments against the Migu Plan Companies (with proceeds ultimately payable to the Petitioners pursuant to their Secured Claims) will not be considered for distribution under the Plan; and
- d) Continuance of the 19 stores with Continuing JV Investors who have executed the Definitive Agreements as those store leases will be Assumed Leases.

10.4 Based on the foregoing factors, the Monitor recommends the Plan to Affected Creditors.

11.0 MONITOR'S RECOMMENDATIONS

11.1 The Monitor respectfully recommends that:

- a) this Honourable Court grant:
 - 1) the Meeting Order; and
 - 2) an order approving the acceptance of the Late Claims for adjudication pursuant to the Claims Process Order; and
- b) Affected Creditors vote in favour of the Plan.

All of which is respectfully submitted to this Honourable Court this 11^h day of October, 2019.

Alvarez & Marsal Canada Inc.,

in its capacity as Monitor of

Migu Investments Inc., Miniso (Canada) Store Inc., 1120701 B.C. Ltd,

Miniso Canada Investments Inc. and its subsidiaries



Per: Anthony Tillman
Senior Vice President



Per: Pinky Law
Vice President

APPENDIX A – PROPOSED ACQUISITION AGREEMENT

ACQUISITION AGREEMENT

THIS AGREEMENT is made as of the ____ day of October, 2019

BETWEEN:

MIGU INVESTMENTS INC., a corporation incorporated under the laws of British Columbia, by **ALVAREZ & MARSAL CANADA INC.**, solely in its capacity as court appointed monitor and not in any other capacity

(“**Migu**”)

- and -

MINISO CANADA INVESTMENTS INC., a corporation incorporated under the laws of British Columbia, by **ALVAREZ & MARSAL CANADA INC.**, solely in its capacity as court appointed monitor and not in any other capacity

(“**MCI**”)

- and -

MINISO (CANADA) STORE INC., a corporation incorporated under the laws of British Columbia, by **ALVAREZ & MARSAL CANADA INC.**, solely in its capacity as court appointed monitor and not in any other capacity

(“**Miniso Store**”)

- and -

MINISO (CANADA) STORE ONE INC., MINISO (CANADA) STORE THREE INC., MINISO (CANADA) STORE FOUR INC., MINISO (CANADA) STORE FIVE INC., MINISO (CANADA) STORE EIGHT INC., MINISO (CANADA) STORE NINE INC., MINISO (CANADA) STORE TEN INC., MINISO (CANADA) STORE ELEVEN INC., MINISO (CANADA) STORE TWELVE INC., MINISO (CANADA) STORE THIRTEEN INC., MINISO (CANADA) STORE FOURTEEN INC., MINISO (CANADA) STORE SEVENTEEN INC., and MINISO (CANADA) STORE TWENTY-ONE INC., each a corporation incorporated under the laws of British Columbia, by **ALVAREZ & MARSAL CANADA INC.**, solely in its capacity as court appointed monitor and not in any other capacity

(each, a “**Store Co**”, and collectively, the “**Store Cos**”)

- and -

MINISO LIFESTYLE CANADA INC., a corporation
incorporated under the laws of British Columbia

(“**Miniso Lifestyle**”)

- and -

MINISO TRADING CANADA INC., a corporation incorporated
under the laws of British Columbia

(“**Miniso Trading**”) [NTD: TBC if Miniso Trading will be a
party/Purchaser; if not, need to assign supply debt (portion of
Indebtedness as well as New Supply Amount) to either Miniso
Lifestyle or Miniso Franchise]

- and -

MINISO FRANCHISE CANADA INC., a corporation
incorporated under the laws of British Columbia

(“**Miniso Franchise**”)

RECITALS:

- A. MCI operates Miniso brand retail stores owned directly or indirectly by MCI or the applicable Store Co at the locations identified in Schedule A (collectively, the “**Corporate Stores**”);
- B. MCI and/or the applicable Store Co collectively own all assets, other than inventory, located at or related to the Corporate Stores, including any leasehold improvements (collectively, the “**Corporate Store Assets**”);
- C. MCI operates Miniso brand retail stores owned in part directly or indirectly by MCI or the applicable Store Co and in part by one or more third party investors (the “**JV Investors**”) at the locations identified in Schedule B (collectively, the “**JV Stores**”, and together with the Corporate Stores, the “**Acquired Stores**”);
- D. MCI and/or the applicable Store Co collectively have, or on the Closing Date of this Agreement will have, a 51% undivided interest (the “**MCI Interest**”) in and to all assets, other than inventory, located at or related to the JV Stores, including any leasehold improvements (collectively, the “**JV Store Assets**”);
- E. In addition to the Corporate Store Assets and the MCI Interest, MCI owns all inventory located at the Acquired Stores and all other Miniso brand retail stores operated by MCI outside

of Quebec as well as in the Richmond warehouse (the “**Inventory Assets**”), and MCI and/or the applicable Store Co has a leasehold interest in the premises of the Corporate Stores (with one exception held by Miniso Store), the JV Stores (with two exceptions held by the JV Investors), and the corporate office in Toronto at the location identified in Schedule A;

F. Migu is party to certain contracts identified in Schedule C;

G. Each of Migu, MCI, Miniso Store and the Store Cos (each a “**Vendor**” and collectively, the “**Vendors**”), as applicable, desires to sell, assign and transfer all of its right, title and interest in and to the assets comprising or related to the Acquired Stores or the business of operating Miniso brand retail stores (the “**Business**”), including the MCI Interest, the Corporate Store Assets, the Inventory Assets, certain contracts, leases, books and records and cash as set out herein, to the Purchaser, which the Purchaser desires to purchase and assume from the applicable Vendor, in accordance with the terms and conditions of this Agreement;

H. By General Security Agreements dated January 4, 2019, and March 5, 2019 (together, the “**GSAs**”), Migu, MCI, and Miniso Store (collectively, the “**Migu Entities**”) granted to Miniso Lifestyle and Miniso Trading (among other entities related to Miniso Lifestyle, Miniso Trading, and Miniso Franchise, and, collectively, the “**Miniso Group**”) a security interest over all of the Migu Entities’ present and after-acquired property to secure the past and future obligations of the Migu Entities to the Miniso Group, including in respect of the following agreements entered into between the Migu Entities and the Miniso Group, or entities related thereto: (a) the Forbearance Agreement dated January 4, 2019 (the “**Forbearance Agreement**”); (b) the agreement dated January 16, 2019 amending the Forbearance Agreement (the “**Forbearance Agreement Amendment**”); (c) the supply agreement dated for reference January 15, 2019, and attached as Schedule “A” to the Forbearance Agreement Amendment (the “**Supply Agreement**”); (d) the assignment and assumption agreement dated February 1, 2019 among MIHK Management Inc. (“**MIHK**”), Miniso Trading, and MCI whereby MIHK’s rights and obligations under the Supply Agreement were assigned to Miniso Trading; (e) the asset purchase agreement dated February 23, 2019, among Miniso Lifestyle, the Migu Entities, and certain affiliates of the Migu Entities, among others; and (f) the loan agreement dated March 5, 2019, among Miniso Lifestyle, MIHK, MCI and Miniso Store, whereby Miniso Lifestyle loaned Miniso Store the sum of \$1,500,000 with interest accruing thereupon at the rate of 2% per annum accruing daily and calculated and compounding annually, in arrears, both before and after maturity (the “**Loan**”);

I. By Priority Agreements dated January 16, 2019 and March 5, 2019 (the “**Priority Agreements**”), among the Migu Entities, the Miniso Group, MIHK, and Mr. Tao Xu (“**Xu**”), Xu agreed to subordinate and postpone all present and future security held by him against the Migu Entities in favour of all present and future security of the Miniso Group;

J. As a consequence of the foregoing, as at July 12, 2019, the Migu Entities were indebted to the Miniso Group in the aggregate amount of \$38,459,352.62, with interest accruing on the amount of the Loan as indicated under recital H (collectively, the “**Indebtedness**”), and with the Indebtedness being secured against all present and after-acquired property of the Migu Entities in favour of the Miniso Group in first position under the GSAs and the Priority Agreements;

K. On or prior to the Closing Date of this Agreement, certain entities within the Miniso Group will assign all or a portion of the Indebtedness owing to them by the Migu Entities to the Purchaser; [NTD: to be confirmed; subject to tax and other review.]

L. On July 12, 2019, the Vendors and certain affiliates were granted protection from their creditors under the *Companies Creditors' Arrangement Act*, R.S.C. 1985, c. C-36 (the "CCAA"), pursuant to an Initial Order granted on that date in Supreme Court of British Columbia action number S-197744 (Vancouver Registry) (the "CCAA Proceedings");

M. On July 22, 2019, the British Columbia Supreme Court (the "Court") granted an order (the "Claims Process Order") in the CCAA Proceedings authorizing the call for and determination of claims against the Vendors to be undertaken and administered by the Vendors and Alvarez & Marsal Canada Inc. in its capacity as the Court-appointed monitor of the Vendors (the "Monitor");

N. On September 6, 2019, the Miniso Group delivered to the Monitor a secured proof of claim (the "Proof of Claim") in respect of the Indebtedness pursuant to the provisions of the Claims Process Order;

O. On September 16, 2019, the Court granted an order in the CCAA Proceedings approving a supplier charge over the assets of the Vendors in favour of Miniso Trading in the amount of \$4,000,000 as security for the obligations of MCI under the ongoing inventory supply arrangements with Miniso Trading pursuant to the Supply Agreement dated July 12, 2019 (the "New Supply Agreement");

P. October 1, 2019, the Court granted an order in the CCAA Proceedings providing for a process for the Purchaser to have the validity of its Proof of Claim determined, which matter is scheduled for hearing November 4-6, 2019; and

Q. On <@>, 2019, the Vendors filed a plan of arrangement and compromise of the same date (the "Plan") with the Court in the CCAA Proceedings, the purpose of which is, in part, to facilitate the transactions contemplated under this Agreement.

IN CONSIDERATION of the respective covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement:

- (a) "Act" means the *Income Tax Act* (Canada);
- (b) "Acquired Stores" has the meaning set forth in recital C;

- (c) **“Acquisition Transaction”** means the transactions contemplated by this Agreement, including the purchase and sale of the Purchased Assets and the assignment and assumption of the Assumed Leases;
- (d) **“Agreed Value”** means an amount equal to the fully costed and audited value of the Inventory Assets on the Closing Date, plus the fair value of the furniture, fixtures and equipment comprising the Corporate Store Assets and the MCI Interest, in each case as determined in accordance with Section 3.5, plus \$2,000,000;
- (e) **“Agreement”** means this acquisition agreement, including the recitals and all schedules hereto, as the same may be amended, supplemented and/or restated from time to time;
- (f) **“Approval and Vesting Order”** means an Order of the Court approving this Agreement and, subject to payment of the Purchase Price, providing for the vesting in the Purchaser of the right, title and interest, if any, of the Vendor in and to the Purchased Assets, free and clear of all liens, charges and encumbrances;
- (g) **“Assumed Leases”** means the Other Leases and the Leases for each of the Acquired Stores, except the two Excluded Leases;
- (h) **“Books and Records”** means books and records of the Vendors relating to the Purchased Assets or the Business, including financial, corporate, operations and sales books, records, books of account, sales and purchase records, lists of suppliers and customers, formulae, business reports, plans and projections, and all other documents, surveys, plans, files, records, assessments, correspondence, and other data and information, financial or otherwise including all data, information and databases stored on computer-related or other electronic media, and **“Books and Records”** shall include the advice and files of lawyers and accountants specifically relating to the Purchased Assets or the Business, whether subject to privilege or not, but shall not include any advice and files of lawyers and accountants relating to the CCAA Proceedings, the prior bankruptcy proceeding commenced by the Miniso Group against the Migu Entities, any other claims between the Parties or their respective Affiliates, the prior Asset Purchase Agreement dated February 23, 2019 between certain of the Parties and their respective Affiliates, this Agreement or the Acquisition Transaction;
- (i) **“Business”** has the meaning ascribed thereto in recital G;
- (j) **“Cash Payment”** has the meaning ascribed thereto in Section 2.2(a)(ii)(B);
- (k) **“CCAA”** has the meaning ascribed thereto in recital L;
- (l) **“CCAA Completion Costs”** means the amount required by the Vendors to satisfy:

- (i) all obligations of the Vendors in respect of the period from the commencement of the CCAA Proceedings to the Closing Date which are due and owing but have not yet been paid as of the Closing Date;
 - (ii) all obligations of the Vendors reasonably incurred from and after the Closing Date in order to complete the Post-Closing Transactions; and
 - (iii) any Crown Priority Claims.
- (m) **“CCAA Proceedings”** has the meaning ascribed thereto in recital L;
- (n) **“Closing”** means the completion of the Acquisition Transaction;
- (o) **“Closing Date”** means 12:00 noon (Vancouver time) on the date that is 2 business days following the date of the Approval and Vesting Order; [NTD: timing TBC; including in connection with Effective Date under Plan.]
- (p) **“Closing Documents”** means such resolutions, conveyances, assignments, transfers, novations and other documents and instruments as are reasonably required to transfer the Purchased Assets to the Purchaser, including any assignments of Contracts or Leases (including the Lease Assignments for the Assumed Leases), debts, or outstanding balances.
- (q) **“Contracts”** means the contracts identified in Schedule C[, and any other contracts to which a Vendor is a party that the Purchaser elects to acquire];
- (r) **“Corporate Stores”** has the meaning ascribed thereto in recital A;
- (s) **“Corporate Store Assets”** has the meaning ascribed thereto in recital B;
- (t) **“Court”** has the meaning ascribed thereto in recital M;
- (u) **“Crown Priority Claims”** means the amounts that are to be paid by the Migu Plan Companies pursuant to Section [X] of the Plan;
- (v) **“Electronic Transmission”** has the meaning ascribed thereto in Section 9.10;
- (w) **“Employees”** means individuals employed or retained by the Vendors in connection with the Business in Canada (excluding Quebec), including the Acquired Stores, on a full-time, part-time or temporary basis, including those employees on disability leave, parental leave or other absence;
- (x) **“Encumbrance”** means any encumbrance of any kind whatever (registered or unregistered) and includes any security interest, mortgage, conditional sale, lien, hypothec, pledge, hypothecation, assignment, charge, security under section 426 or section 427 of the *Bank Act* (Canada), trust or deemed trust (whether contractual, statutory or otherwise arising), a voting trust or pooling agreement with respect to securities, any adverse claim or joint ownership interest, any grant

of any exclusive licence or sole licence, or any other right, option or claim of others of any kind whatever, any covenant or other agreement, restriction or limitation, or a deposit by way of security or an easement, restrictive covenant, limitation, agreement or right of way, restriction, preferential arrangement, encroachment, burden or title reservation of any kind, or any rights or privileges capable of becoming any of the foregoing;

- (y) **“Estimated CCAA Completion Costs”** means the Monitor’s estimate of the amount of the CCAA Completion Costs, to the extent that the Vendors are or will be unable to satisfy such amounts using their own funds, as set forth in the notice delivered to the Purchaser in accordance with and subject to Section 2.2(c);
- (z) **“Excluded Leases”** means the Leases for the following two JV Stores: Griesbach Village and South Common;
- (aa) **“Governmental Authority”** means (i) any federal, state, provincial, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of the foregoing exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature, or (ii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, in each case having jurisdiction over a Party, the Purchased Assets or the Acquisition Transaction;
- (bb) **“Indebtedness”** has the meaning ascribed thereto in recital J;
- (cc) **“Inventory Assets”** has the meaning ascribed thereto in recital E;
- (dd) **“JV Investors”** has the meaning ascribed thereto in recital C;
- (ee) **“JV Stores”** has the meaning ascribed thereto in recital C;
- (ff) **“JV Store Assets”** has the meaning ascribed thereto in recital D;
- (gg) **“Landlords”** means, collectively, the landlords of the Corporate Stores identified in Schedule A, the landlords of the JV Stores identified in Schedule B, and the landlords under the Other Leases, and each a **“Landlord”**;
- (hh) **“Lease Assignments”** means, in respect of the Assumed Leases:
 - (i) an agreement among the Purchaser, the applicable Landlord and the applicable Tenant, under which (among other things), the applicable Tenant agrees to assign and the Purchaser agrees to assume all obligations and liabilities of the applicable Tenant under the applicable Lease; or

- (ii) an Order of the Court under which the rights, obligations and liabilities of the applicable Tenant under the applicable Lease are assigned to the Purchaser;
- (ii) “**Leases**” means, collectively, the leases for the Corporate Stores identified in Schedule A, the leases for the JV Stores identified in Schedule B, and the Other Leases, and each a “**Lease**”;
- (jj) “**MCI Interest**” has the meaning ascribed thereto in recital D;
- (kk) “**Monitor**” has the meaning ascribed thereto in recital M;
- (ll) “**Monitor’s Certificate**” means a certificate to be filed in the CCAA Proceedings by the Monitor and delivered by the Monitor to the Purchaser and the Vendors confirming that the Purchaser has delivered the Cash Payment to the Monitor and that all conditions precedent to this Agreement have been satisfied or waived, all in accordance with the Approval and Vesting Order;
- (mm) “**New Supply Agreement**” has the meaning ascribed thereto in recital O;
- (nn) “**New Supply Amount**” means the amount outstanding and unpaid on the Closing Date for inventory supplied by Miniso Trading to MCI after the commencement of the CCAA Proceeding pursuant to the New Supply Agreement;
- (oo) “**Other Business Assets**” means any machinery, equipment, vehicles, furniture, supplies and other assets or property used in connection with the Business, except the JV Store Assets, the Corporate Store Assets, the Inventory Assets, the Leases, the Contracts, the Books and Records and any cash on hand or on deposit;
- (pp) “**Other Leases**” means the following:
 - (i) [Toronto office lease];
- (qq) “**Parties**” means, collectively, each of the signatories to this Agreement and their respective successors and permitted assigns, and “**Party**” means any one of them;
- (rr) “**Person**” shall be broadly interpreted and includes an individual, a body corporate, a partnership, a trust, an association, an unincorporated organization, a governmental authority, the executors, administrators or other legal representatives of an individual in such capacity and any other entity recognized by law, and pronouns have a similarly extended meaning;
- (ss) “**Plan**” has the meaning ascribed thereto in recital Q;
- (tt) “**Post-Closing Transactions**” means the transactions described in Section 3.3;
- (uu) “**Pre-Closing Reorganization**” means the transactions described in Section 3.1;

- (vv) **“Purchase Price”** has the meaning ascribed thereto in Section 2.2(a);
- (ww) **“Purchased Assets”** means the following property, assets, rights and interests owned, directly or indirectly, by the Vendors, and all of the Vendors’ right, title and interest therein and thereto:
 - (i) the MCI Interest;
 - (ii) the Corporate Store Assets;
 - (iii) the Inventory Assets;
 - (iv) the Other Business Assets;
 - (v) the Assumed Leases and the Vendors’ interest in the premises subject to the Assumed Leases and any leasehold improvements;
 - (vi) the Contracts;
 - (vii) the Books and Records; and
 - (viii) the Remaining Cash;
- (xx) **“Purchaser”** means:
 - (i) with respect to the Inventory Assets, Miniso Trading;
 - (ii) with respect to the Corporate Store Assets and the Assumed Leases for the Corporate Stores, Miniso Lifestyle;
 - (iii) with respect to the MCI Interest in a JV Store and the Assumed Lease for a JV Store, the applicable subsidiary of Miniso Franchise identified in Schedule B; and
 - (iv) with respect any other Purchased Assets and the Offered Employees, Miniso Lifestyle or its designated affiliate;
- (yy) **“Remaining Cash”** means the amount of the Vendors’ cash on hand or on deposit at the time specified on Section 3.4, including any Estimated CCAA Completion Costs remaining after payment and satisfaction in full of the CCAA Completion Costs;
- (zz) **“Tax”** or **“Taxes”** means (i) all federal, state, local and foreign taxes, charges, fees, imposts, levies or other assessments, including income, gross receipts, excise, employment, sales, use, transfer, license, payroll, franchise, stamp, withholding, social security, unemployment, real property, personal property, alternative or add on minimum, estimated or other taxes, charges, fees, imposts, levies or other assessments, including any interest, penalties or additions thereto,

whether disputed or not, and (ii) any liability for any items described in clause (i) payable by reason of transferee liability or operation of law;

- (aaa) **“Tax Return”** means any report, return, information return, filing, claim for refund or other information, including any schedules or attachments thereto, and any amendments to any of the foregoing required to be supplied to a Taxing Authority in connection with Taxes;
- (bbb) **“Taxing Authority”** means any Governmental Authority responsible for the administration or the imposition of any Tax;
- (ccc) **“Tenants”** means, collectively, the tenants under the Leases for the Corporate Stores identified in Schedule A, the tenants under the Leases for the JV Stores identified in Schedule B, and the tenants under the Other Leases, and each a **“Tenant”**; and
- (ddd) **“Transaction Taxes”** has the meaning ascribed thereto in Section 2.3(a);
- (eee) **“Vendor”** and **“Vendors”** have the meaning ascribed thereto in recital G.

1.2 Schedules

The following Schedules attached hereto are incorporated in and form part of this Agreement:

Schedule A	Corporate	Stores
Schedule B	JV	Stores
Schedule C	Contracts	

ARTICLE 2 PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, on the Closing Date:

- (a) each Vendor, as applicable, shall sell, assign, transfer and convey the Purchased Assets, and all its right, title and interest therein and thereto, to the Purchaser free and clear of all Encumbrances and with full power and authority to exercise and enforce any right of the Vendor in respect thereof; and
- (b) each Tenant under an Assumed Lease shall assign the Assumed Lease to the Purchaser pursuant to the terms of the applicable Assignment Agreement, and the Purchaser shall assume such Assumed Lease.

2.2 Purchase Price

- (a) The consideration payable by the Purchaser to the Vendors for the Purchased Assets (the “**Purchase Price**”) shall be:
 - (i) in respect of the Assumed Leases, the Purchaser’s assumption on the Closing Date of all of the Tenants’ obligations and liabilities under the Assumed Leases from and after the Closing Date, as well as the Purchaser’s payment to the applicable Landlord of any rent owing to such Landlord under the Assumed Lease in respect of the period prior to the commencement of the CCAA Proceedings, pursuant to the Lease Assignments; and
 - (ii) in respect of the balance of the Purchased Assets, an amount equal to:
 - (A) the Agreed Value;
 - (B) \$550,000 (the “**Cash Payment**”); and
 - (C) the Estimated CCAA Completion Costs.
- (b) The Purchaser shall pay:
 - (i) the Agreed Value on the Closing Date by way of credit bid to be set off first, against the New Supply Amount, and thereafter, against the Indebtedness;
 - (ii) the Cash Payment on the Closing Date by certified cheque, bank draft or wire transfer of immediately available funds to the Monitor, for the purposes of funding the distributions to “Affected Creditors” under and in accordance with the Plan (and as defined therein); and
 - (iii) the Estimated CCAA Completion Costs on the Closing Date by certified cheque, bank draft or wire transfer of immediately available funds to the Monitor.
- (c) Not less than five (5) business days prior to the Closing Date, the Monitor shall deliver written notice to the Purchaser of the Estimated CCAA Completion Costs, which amount must be acceptable to the Purchaser, acting reasonably.
- (d) On or prior to the Closing Date, the Parties will agree on an allocation of the Purchase Price among the Purchased Assets, and each Party shall use good faith and commercially reasonable efforts to timely agree to such allocation, provided that if such allocation is not agreed to by the Parties prior to the Closing, the Purchaser may make such allocation as the Purchaser deems reasonable. The Vendors and the Purchaser shall file their respective Tax Returns in accordance with such allocation and the Parties shall cooperate with each other in respect of providing information and records as is required in connection with such Tax

Returns. Each Party will promptly notify the other if it receives notice that a taxing authority proposes any allocation that is different from that allocation. The obligations of the Parties under this Section 2.2(c) shall survive Closing.

2.3 Taxes

- (a) The Purchaser shall be responsible for the payment of any provincial and local sales, transfer, recording, stamp or other similar transfer taxes (collectively “**Transaction Taxes**”) that may be imposed by reason of the sale, transfer, assignment and delivery of the Purchased Assets, along with any filing fees. The Purchaser and the Vendors agree to cooperate to determine the amount of Transaction Taxes payable in connection with the Acquisition Transaction. On the Closing Date, the Purchaser shall remit to the Vendors such properly completed resale exemption certificates and other similar certificates or instruments as are applicable to claim available exemptions from the payment of sales, transfer, use or other similar Taxes under applicable laws. The Purchaser and the Vendors shall cooperate in preparing such forms and shall execute and deliver such affidavits and forms as are reasonably requested by the other Party.
- (b) The Purchaser and the Vendors agree to furnish or cause to be furnished to each other, as promptly as reasonably practicable, such information and assistance relating to the Purchased Assets as is reasonably necessary for the preparation and filing of any Tax Return, for the preparation for and proof of facts during any Tax audit, for the preparation for any Tax protest, for the prosecution or defense of any suit or other proceeding relating to Tax matters and for the answer of any governmental or regulatory inquiry relating to Tax matters.

ARTICLE 3 PRE-CLOSING AND POST-CLOSING MATTERS

3.1 Assignment of Indebtedness

On or prior to the Closing Date, Miniso Lifestyle will cause certain entities within the Miniso Group to assign all or a portion of the Indebtedness owing to such entity by the Migu Entities to Miniso Lifestyle or Miniso Franchise, in an aggregate amount that is not less than the difference between the Agreed Value and the New Supply Amount. **[NTD: TBC; subject to tax and other review.]**

3.2 Pre-Closing Reorganization

Certain JV Store Assets are currently held indirectly by MCI or the applicable Store Co through a partnership with one or more JV Investors (the “**JV Store Partnerships**”). In order to facilitate the transactions contemplated by this Agreement and related agreements with the JV Investors which are to be completed concurrently with the Acquisition Transaction, MCI and the Store Cos will cause the JV Store Partnerships to be dissolved immediately prior to the Closing and all of the assets of the JV Store Partnerships, including the JV Store Assets, to be distributed in kind to each partner who will receive an undivided interest in the JV Store Assets

equal to its partnership interest, as a result of which MCI and/or the applicable Store Co will acquire the MCI Interest.

3.3 Post-Closing Transactions

The Vendors shall, and shall cause their affiliates to:

- (a) Within ten (10) business days after the Closing Date, provide evidence satisfactory to the Purchaser that MCI, Miniso Store, each Store Co and any other affiliate using the name “Miniso” has changed its corporate and any business name to names that do not contain or otherwise use the name “Miniso” or any of the names associated with the “Miniso” brand, and thereafter refrain from using any such names;
- (b) Complete such other sales, transactions, reorganizations, arrangements or other corporate proceedings as are necessary to complete the CCAA Proceedings on a timely basis, and as may be acceptable to the Purchaser, acting reasonably.

3.4 Payment of Post-Closing Cash Receipts

The Vendors shall close all bank accounts on the Closing Date or as soon thereafter as is reasonably possible. Any and all monies received by or on behalf of the Vendors in relation to the Purchased Assets after 12:01 am on the Closing Date will be for the account of the Purchaser, will be held in trust by the Monitor and paid over to the Purchaser if and when received on a weekly basis.

3.5 Determination of Agreed Value

The Purchaser will engage a qualified independent auditor acceptable to the Vendors, acting reasonably, to:

- (a) audit the fully costed value of the Inventory Assets as of the Closing Date; and
- (b) audit the fair value of the furniture, fixtures and equipment comprising the Corporate Store Assets and the MCI Interest,

in each case as such amounts are determined by or on behalf of the Purchaser, acting reasonably, for the purposes of determining the Agreed Value. The Purchaser shall provide written notice of these amounts describing the calculation thereof to the Vendors, together with the auditor’s report with respect thereto, within [**thirty(30) days**] after the Closing Date, and confirming the amount of the New Supply Amount and the Indebtedness that was set off by way of credit bid in payment of the Agreed Value.

3.6 Determination and Payment of Remaining Cash

- (a) Within two (2) business days after the earlier of:

- (i) the completion of the CCAA Proceedings; and
- (ii) **[outside date]**,

the Monitor shall determine the Remaining Cash, provide written notice of the amount and describing the calculation thereof to the Purchaser, and pay the amount of the Remaining Cash to the Purchaser to an account designated by it in writing.

- (b) At any time or from time to time prior to the Monitor's determination and payment of the Remaining Cash to the Purchaser pursuant to Section 3.7(a), in the event and to the extent that the Monitor determines all or any portion of the Estimated Completion Costs or the Vendors' cash on hand or on deposit at the time will not be required to satisfy the CCAA Completion Costs:
 - (i) the Monitor may pay such amount to the Purchaser to an account designated by it in writing; and
 - (ii) within **[thirty (30) days]** after receiving a written demand therefor from the Purchaser, the Monitor shall pay such amount to the Purchaser to an account designated by it in writing.

3.7 Transition Services and Support

- (a) Following the Closing Date, the Purchaser shall provide the Vendors, the Monitor and their representatives with access to the Books and Records as may reasonably be required for purposes consistent with this Agreement including in order to complete the Post-Closing Transactions, and shall cooperate with the Vendors, the Monitor and its and their representatives honestly, in good faith, acting diligently and reasonably, to permit and facilitate the completion of such Post-Closing Transactions.
- (b) The Purchaser shall make its personnel available at no charge to the Vendors to provide such assistance and support as may reasonably be required by the Monitor or the Vendors in order to complete the Post-Closing Transactions, provided that such support and assistance does not interfere with the ability of such personnel to perform their day-to-day activities and duties for and on behalf of the Purchaser.
- (c) The Purchaser shall take all reasonable steps to preserve and keep the Books and Records of the Vendors delivered to it in connection with the Acquisition Transaction and Closing, for a period of six years from the Closing Date, or for any longer period as may be required by any applicable laws or Governmental Authority, and shall make such records available to the Vendors, the Monitor or any trustee in bankruptcy of the Vendors on a timely basis, as may be reasonably required by it, including in connection with the Post-Closing Transactions or any administrative or legal proceeding that may be initiated by, on behalf of, or against the Vendors.

- (d) The Purchaser's liability arising from or in relation to this Section 3.7 under any cause of action or theory of liability whatsoever, including in relation to a breach of this Agreement or negligence, shall be absolutely limited to the lesser of the direct damages incurred by the Vendors directly as a result of the Purchaser's negligence or failure to comply with its obligations under this Section 3.7, and the amount of the Remaining Cash.
- (e) Following the Closing Date, the Vendors shall provide the Purchaser with access to and use and enjoyment of the Vendors' warehouse premises located in Richmond, and the Purchaser shall pay the Vendors for the use of such premises in an amount equal to the Vendors' costs and expenses incurred for or directly in relation to such premises.

ARTICLE 4 EMPLOYEES

4.1 Employees

- (a) Prior to the Closing Date, the Monitor will provide notice to all Employees of the sale of the Purchased Assets and such notice shall be at a time and in a form approved by the Parties, each acting reasonably.
- (b) Prior to Closing, the Purchaser shall offer employment in writing, conditional on Closing, and effective from the Closing Date, to all of the Employees who are Employees on the Closing Date (the "**Offered Employees**"), and will ensure that such offers of employment will be on terms and conditions of employment which are substantially similar in the aggregate for each individual Offered Employee to those currently available to each Employee based on the Vendor's employee policies as provided to the Purchaser.
- (c) To the extent required by applicable laws, the Purchaser shall recognize the past service of each Offered Employee who accepts the Purchaser's offer of employment made pursuant to this Section 4.1 (the "**Transferred Employees**"). On the Closing Date, the Purchaser shall assume all unpaid wages, salary, incentive compensation, and vacation pay up to the Closing Date for each Transferred Employee.
- (d) As of the Closing Date, all Transferred Employees shall cease participating in, being covered by and accruing benefits under all benefit plans for Employees maintained by the Vendors.
- (e) No later than five (5) days prior to the Closing Date, with respect to Transferred Employees, the Purchaser shall have established plans providing for employment benefits relating to disability or wage or benefits continuation during periods of absence from work, and employment benefits relating to hospitalization, healthcare, medical or dental treatments or expenses, life insurance, accidental death and dismemberment insurance and death or survivor's benefits.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 “As is, Where-is”

Except as expressly provided herein, the Purchaser acknowledges that: (i) it is purchasing the Purchased Assets on an “as is, where is” and “without recourse” basis and on the basis that the Vendor has not guaranteed or will not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters; and (ii) it has inspected the Purchased Assets and will accept the same on the Closing Date, in their then current state, condition and location. Except as otherwise expressly provided in this Agreement, no representation, warranty or condition whether statutory, expressed or implied, oral or written, legal, equitable, conventional, collateral or otherwise will be given by the Vendor as to title, outstanding liens, description, fitness or purpose, merchantability, quantity, condition, quality, suitability, durability, assignability, or marketability therefor or any other matter of thing whatsoever, and all of the same are expressly excluded. The Purchaser acknowledges and agrees that it has inspected the Purchased Assets and has relied on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets pursuant to this Agreement. The description of the Purchased Assets contained herein is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendor concerning completeness or accuracy of such description.

5.2 Representations and Warranties of the Vendors

Each Vendor represents and warrants to the Purchaser that to the best of the Vendors’ knowledge, no actions or proceedings are pending and none have been threatened to restrain or prohibit the completion of the Acquisition Transaction.

5.3 Representations and Warranties of the Purchaser

Each Purchaser represents and warrants to the Vendors that:

- (a) it is a corporation incorporated and existing under the laws of its jurisdiction of incorporation;
- (b) it has the corporate power and capacity to, and has taken all corporate action necessary to, enter into, execute, deliver and perform its obligations under this Agreement;
- (c) this Agreement has been duly authorized, executed and delivered by it; and
- (d) subject to obtaining the Approval and Vesting Order, this Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms; provided, however, that enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other laws, whether or not similar, generally affecting enforceability of creditors’ rights and

that equitable remedies such as specific performance and injunctive relief are in the discretion of the court from which they are sought.

ARTICLE 6

CONDITIONS PRECEDENT

6.1 Conditions Precedent in Favour of the Purchaser

The obligation of the Purchaser to complete the Acquisition Transaction is subject to the satisfaction or waiver of each of the following conditions precedent on or prior to Closing:

- (a) all representations and warranties of the Vendors contained in this Agreement will be true as of the Closing Date with the same effect as though made on and as of that date;
- (b) the [**Initial**] Order shall not be stayed, vacated, reversed or amended without the prior written consent of the Purchaser; [**NTD: confirm if applicable.**]
- (c) the Vendors shall have delivered all of the Vendors' deliverables in accordance with Section 7.3;
- (d) by no later than [**date**], 2019, the Plan shall have been approved by the creditors of the Vendors and the Court in the CCAA Proceedings;
- (e) each of the conditions precedent to the implementation of the Plan, as set forth therein, other than the delivery by the Purchaser of the Cash Payment to the Monitor to fund distributions to Affected Creditors under the Plan shall have been satisfied or waived; and
- (f) the Vendors shall have performed each of their respective obligations under this Agreement to the extent required to be performed on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Purchaser and may only be waived by the Purchaser in writing on such terms as the Purchaser may stipulate.

6.2 Conditions Precedent in Favour of the Vendors

The obligation of the Vendors to complete the Acquisition Transaction is subject to the satisfaction or waiver of the following conditions precedent on or prior to Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement will be true as of the Closing Date with the same effect as though made on and as of that date;
- (b) the Purchaser shall have delivered all the Purchaser's deliverables in accordance with Section 7.2; and

- (c) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Vendors and may only be waived by the Vendors in writing on such terms as the Vendors may stipulate.

6.3 Mutual Conditions Precedent

The completion of the Acquisition Transaction is subject to the satisfaction or waiver of the following conditions precedent on or prior to Closing:

- (a) the Approval and Vesting Order will have been granted by the Court and will not have been stayed, varied or vacated and no order will have been issued and no action or proceeding will be pending to restrain, enjoin or prohibit the completion of the Acquisition Transaction;
- (b) the Purchaser, the Landlords and the Tenants will have entered into the Lease Assignments, or the Court will have granted an order giving effect to the Lease Assignments, to be effective on or before the Closing Date;
- (c) there shall not be in effect any preliminary or final order, decision or decree by a Governmental Authority, no application, action or proceeding shall have been commenced with any Governmental Authority, and no action or investigation shall have been announced, threatened or commenced by any Governmental Authority in connection with the Acquisition Transaction, which restrains, enjoins, impedes or prohibits the Acquisition Transaction or any material part thereof or requires or purports to require a material variation thereof; and
- (d) the Pre-Closing Reorganization shall have been completed.

The foregoing conditions are for the mutual benefit of the Vendors and the Purchaser and may be waived by the Vendors and the Purchaser in writing.

6.4 Non-Satisfaction of Conditions

If any condition precedent set out in this Article is not satisfied or waived prior to Closing, the Party for whose benefit the condition applies may elect by written notice to the other Party to terminate this Agreement.

6.5 Waiver of Conditions

No waiver of any condition, in whole or in part, will operate as a waiver of any other condition.

ARTICLE 7 CLOSING ARRANGEMENTS

7.1 Date, Place and Time of Closing

The Closing will take place on the Closing Date at the offices of the Monitor's solicitors, Dentons Canada LLP, in the City of Vancouver, or at such other place and on such other date as may be agreed upon by the Parties.

7.2 Purchaser's Deliveries on Closing

At or before the Closing Date, the Purchaser will:

- (a) deliver the Cash Payment and an acknowledgement of set off against the New Supply Amount and the Indebtedness in the amount of the Agreed Value to the Monitor;
- (b) deliver to the Vendors the following, each of which will be in form and substance satisfactory to the Monitor's solicitors, acting reasonably:
 - (i) written confirmation from the Monitor that the Monitor has received the Cash Payment and the acknowledgement in respect of the Agreed Value;
 - (ii) the Closing Documents, duly executed by the Purchaser;
 - (iii) a certificate of an officer of the Purchaser dated the Closing Date, confirming that all of the representations and warranties of Purchaser contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date, that the Purchaser has performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date, and that each of the conditions precedent in Section 6.1 have been satisfied or waived as of the Closing Date; and
 - (iv) such further and other documentation as is referred to in this Agreement or as the Vendors may reasonably require to give effect to this Agreement.

7.3 Vendors' Deliveries on Closing

At or before the Closing Date, the Vendors, or the Monitor on their behalf, will deliver or cause to be delivered to the Purchaser the following, each of which will be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) an acknowledgement and receipt of the Cash Payment in accordance with Section 2.2(a)(ii)(B) and a receipt of the acknowledgement in respect of the Agreed Value in accordance with Section 2.2(b)(i), duly executed by the Vendors;
- (b) the Closing Documents, duly executed by the Vendors;

- (c) possession of the Purchased Assets as and where located, except the Remaining Cash to be paid in accordance with Section 3.4;
- (d) a certificate of the Monitor, dated the Closing Date, confirming that all of the representations and warranties of the Vendors contained in this Agreement are true as of the Closing Date, with the same effect as though made on and as of the Closing Date, and that each of the conditions precedent in Section 6.2 have been satisfied or waived as of the Closing Date;
- (e) a copy of the signed Monitor's Certificate; and
- (f) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

7.4 Title and Risk

Title to and risk of loss of the Purchased Assets will remain with the Vendors until Closing and will transfer to the Purchaser at Closing, except for the Remaining Cash to be paid in accordance with Section 3.4.

7.5 Post-Closing Covenants

After the Closing Date, the Vendors shall, if requested by the Purchaser, and at the Purchaser's expense, execute and deliver, or cause to be executed and delivered, all additional conveyances, transfers and other assurances as may be reasonably necessary or desirable to carry out the intent of this Agreement and complete the Acquisition Transaction.

ARTICLE 8 TERMINATION

8.1 Termination Rights

- (a) This Agreement may be terminated by notice in writing given by either Party to the other Party at or prior to the Closing Date if any of the conditions for its benefit in ARTICLE 6 have not been satisfied on the Closing Date, or if it becomes apparent that any such condition cannot be satisfied at or prior to the Closing Date (including, without limitation, if the Court dismisses the application for the Approval and Vesting Order), and the Purchaser has not waived that condition at or prior to the Closing Date; and
- (b) This Agreement may be terminated by mutual written agreement of the Parties upon the terms of that agreement, with the consent of the Monitor.

8.2 Effect of Exercise of Termination Rights

If a Party exercises its right of termination under Section 8.1(a), immediately upon the Party giving notice as required under Section 8.1(a), the Parties will be discharged from any further obligations under this Agreement.

ARTICLE 9 GENERAL

9.1 Headings

The division of this Agreement into articles, sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The article, section and subsection headings in this Agreement are not intended to be full or precise descriptions of the text to which they refer and are not to be considered part of this Agreement. All uses of the words “**hereto**”, “**herein**,” “**hereof**,” “**hereby**” and “**hereunder**” and similar expressions refer to this Agreement and not to any particular section or portion of it.

9.2 References

Unless otherwise specified, references in this Agreement to Articles and Sections are to articles and sections of this Agreement.

9.3 Number and Gender; extended meanings

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The terms “**including**” and “**includes**” shall be interpreted to mean “**including without limitation**” and “**includes without limitation**”, respectively, and they shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it.

9.4 Currency

All monetary figures referred to herein are denominated in Canadian dollars.

9.5 Governing Law

This Agreement and each of the documents contemplated by or delivered under or in connection with this Agreement shall be governed by, and are to be construed and interpreted in accordance with, the laws in force in the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract. Each Party hereto irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

9.6 No Contra Proferentem

This Agreement has been reviewed by each Party’s professional advisors, and revised during the course of negotiations between the Parties. Each Party acknowledges that this Agreement is the product of their joint efforts, it expresses their agreement, and if there is any ambiguity in any of its provisions, no rule of interpretation favouring one Party over another based on authorship will apply.

9.7 Conflict

If there is a conflict between any provision in the body of this Agreement and any Schedule, or between any provision of this Agreement and any other document contemplated by or delivered under or in connection with this Agreement, including the Closing Documents, the relevant provision of this Agreement (or the body hereof, as applicable) shall prevail to the extent of the conflict.

9.8 Severability

If any provision of this Agreement is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision shall not affect:

- (a) the legality, validity or enforceability of the remaining provisions of this Agreement; or
- (b) the legality, validity or enforceability of that provision in any other jurisdiction.

9.9 Statutory References

Unless otherwise provided herein, each reference to an enactment is deemed to be a reference to that enactment and to the regulations made under that enactment, each as amended or re-enacted from time to time.

9.10 Notices

All notices, requests, demands or other communications by the terms required or permitted to be given by one Party to another shall be given in writing by personal delivery, any electronic means of sending messages, including facsimile transmission and e-mail (“**Electronic Transmission**”) or by registered mail, postage prepaid, addressed to such other Party or delivered to such other Party as set forth below or to any other address, facsimile number, e-mail address or person that the Party designates; provided, however, that notice by Electronic Transmission shall only be sufficient if the notice includes or is accompanied by the sender’s name, address, telephone number and facsimile or e-mail address, the date and time of transmission and the name and telephone numbers of a person to contact in the event of transmission problems and if acknowledgement of the transmission is transmitted to the sender by the recipient or the recipient’s electronic system. Any notice, request, demand or other communication if delivered personally or by courier or sent by prepaid registered mail, will be deemed to have been given when actually received, if transmitted by Electronic Transmission before 5:00 p.m. (Vancouver time) on a business day, will be deemed to have been given on that business day, and if transmitted by Electronic Transmission after 5:00 p.m. (Vancouver time), will be deemed to have been given on the business day after the date of the transmission.

If to Migu, MCI, Miniso Store or any Store Co:

[Address]

Email: [\[email\]](#)

With a copy to:

[McMillan]

If to the Monitor:

Alvarez & Marsal Canada Inc

[Address]

Attention: Anthony Tillman

Email: atillman@alvarezandmarsal.com

With a copy to:

[Dentons]

If to Miniso Lifestyle, Miniso Trading or Miniso Franchise:

c/o Fasken Martineau DuMoulin LLP
2900 – 550 Burrard Street
Vancouver, BC V6C 0A3
Attention: Andrew Xie

Email: andrew.xie@miniso.com

With a copy to:

Fasken Martineau DuMoulin LLP
2900 – 550 Burrard Street
Vancouver, BC V6C 0A3
Attention: Kibben Jackson

Email: kjackson@fasken.com

9.11 Further Assurances

The Vendors and the Purchaser shall do such acts and shall execute such further documents, conveyances, deeds, assignments, transfers and the like, and will cause the doing of such acts and will cause the execution of such further documents as are within their power as either the Purchaser or the Vendors may in writing at any time and from time to time reasonably request be done or executed, in order to give full effect to the provisions of this Agreement without further consideration.

9.12 Waiver of Rights

Any waiver of, or consent to depart from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Party giving it, and

only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right. No single or partial exercise of any such right shall preclude any other or further exercise of such right or the exercise of any other right.

9.13 Calculation of Time

Unless otherwise specified, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period commences and including the day on which the period ends. If the last day of a time period is not a business day in the jurisdiction in which performance is required, the time period will end on the next business day.

9.14 Time of the Essence

Time shall be of the essence of this Agreement and of every part of it and no extension or variation of this Agreement shall operate as a waiver of this provision.

9.15 Entire Agreement

This Agreement together with any agreements and other documents to be delivered pursuant hereto, constitutes the entire Agreement and understanding among the Parties pertaining to the subject matter referred to herein and supersedes all prior agreements, negotiations, understandings and commitments, whether oral or written, previously entered into by them in respect thereto, all of which are hereby terminated and of no further force or effect. There are no representations, warranties, conditions or other agreements, express or implied, statutory or otherwise, between the Parties in connection with the subject matter hereof, except as specifically set forth herein and in such other agreements and other documents delivered pursuant hereto.

9.16 No Assignment

This Agreement shall not be assigned by any Party without the express prior written consent of the other Parties hereto, provided that the Purchaser may designate an affiliate as a Purchaser hereunder.

9.17 Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns, as applicable.

9.18 Amendment

No amendment of or other modification to this Agreement shall be valid or binding upon the Parties unless such amendment or modification is in writing signed by all of the Parties.

9.19 Counterparts and Execution

This Agreement may be executed in any number of counterparts. Each executed counterpart shall be deemed to be an original. All executed counterparts taken together shall constitute one and the same original agreement. To evidence the fact that it has executed this Agreement, a Party may send a copy of its executed counterpart to the other Party by facsimile transmission or by electronic mail in Portable Document File (PDF) format, which shall be as effective as delivery of an originally executed copy.

[remainder of page intentionally left blank - signature page follows]

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement as of the day and year first above written.

MIGU INVESTMENTS INC., a corporation incorporated under the laws of British Columbia, by **ALVAREZ & MARSAL CANADA INC.**, solely in its capacity as court appointed monitor and not in any other capacity

By: _____
Name: Anthony Tillman
Title: Senior Vice President

MINISO CANADA INVESTMENTS INC., a corporation incorporated under the laws of British Columbia, by **ALVAREZ & MARSAL CANADA INC.**, solely in its capacity as court appointed monitor and not in any other capacity

By: _____
Name: Anthony Tillman
Title: Senior Vice President

MINISO (CANADA) STORE INC., a corporation incorporated under the laws of British Columbia, by **ALVAREZ & MARSAL CANADA INC.**, solely in its capacity as court appointed monitor and not in any other capacity

By: _____
Name: Anthony Tillman
Title: Senior Vice President

MINISO (CANADA) STORE ONE INC., MINISO (CANADA) STORE THREE INC., MINISO (CANADA) STORE FOUR INC., MINISO (CANADA) STORE FIVE INC., MINISO (CANADA) STORE EIGHT INC., MINISO (CANADA) STORE NINE INC., MINISO (CANADA) STORE TEN INC., MINISO (CANADA) STORE ELEVEN INC., MINISO (CANADA) STORE TWELVE INC., MINISO (CANADA) STORE THIRTEEN INC., MINISO (CANADA) STORE FOURTEEN INC., MINISO (CANADA) STORE SEVENTEEN INC., and MINISO (CANADA) STORE TWENTY-ONE INC., each a corporation incorporated under the laws of British Columbia, by **ALVAREZ & MARSAL CANADA INC.,** solely in its capacity as court appointed monitor and not in any other capacity

By: _____
Name: Anthony Tillman
Title: Senior Vice President

MINISO LIFESTYLE CANADA INC.

By: _____
Name:
Title:

MINISO TRADING CANADA INC.

By: _____
Name:
Title:

MINISO FRANCHISE CANADA INC.

By: _____
Name:
Title:

SCHEDULE A

Corporate Stores

	Store/Location	Vendor(s)	Purchaser	Landlord	Tenant	Lease
1.						
2.						
3.						
4.						
5.						

Toronto Office Lease:

[insert details]

SCHEDULE B

JV Stores

	Store/Location	Vendor(s)	Purchaser	Landlord	Tenant	Lease
6.						
7.						
8.						
9.						
10.						

SCHEDULE C

Contracts

[NTD: list Wal-mart contract(s) and any other contracts that the Purchaser wants to assume.]

**APPENDIX B – PROPOSED PLAN OF COMPROMISE, ARRANGEMENT AND
REORGANIZATION**

No. S197744
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

BETWEEN:

MINISO INTERNATIONAL HONG KONG LIMITED AND OTHERS

PETITIONERS

AND:

MIGU INVESTMENTS INC. AND OTHERS

RESPONDENTS

**PLAN OF COMPROMISE, ARRANGEMENT AND
REORGANIZATION**

OCTOBER <@>, 2019

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PLAN OF COMPROMISE, ARRANGEMENT AND REORGANIZATION

This is the plan of compromise, arrangement and reorganization of the Migu Plan Companies (as defined herein) made pursuant to the *Companies' Creditors Arrangement Act*.

Article 1 INTERPRETATION

1.1 Definitions

In the Plan, unless otherwise stated or the context otherwise requires:

“Acquisition Agreement” means the acquisition agreement between the Miniso Purchasers and the Migu Vendors pursuant to which, among other things, the Miniso Purchasers will acquire substantially all of the assets of the Migu Vendors, including without limitation the Store Leases.

“Acquisition Transactions” means the transactions contemplated by the Acquisition Agreement.

“Administration Charge” means the charge provided for at paragraph 49 of the Initial Order, securing the fees and disbursements of the Monitor, counsel to the Monitor and counsel to the Debtors.

“Affected Claims” means all Claims other than Unaffected Claims.

“Affected Creditors” means any Person having an Affected Claim and includes the transferee or assignee of a transferred or assigned Affected Claim who is recognized as an Affected Creditor by the Debtors and the Monitor in accordance with the Claims Process Order, or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person.

“Affected Creditors Class” means the class consisting of the Affected Creditors established under and for the purposes of the Plan, including voting in respect thereof.

“Affected Creditors Pot” means the sum of \$550,000 to be funded by the Miniso Purchasers to the Monitor for distribution to the Affected Creditors in accordance with the terms of this Plan.

“Business Day” means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Vancouver, British Columbia.

“CCAA” means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

“CCAA Charges” means, collectively, the Administration Charge, the Supplier's Charge, the Interim Lender's Charge and the Directors' Charge.

“CCAA Proceedings” means the proceedings commenced by the Petitioners under the CCAA on the Filing Date in Supreme Court of British Columbia Action No. S197744, Vancouver Registry.

“Claim” means: (a) any right or claim of any Person where such right or claim was in existence on the Filing Date, whether or not asserted, in connection with any indebtedness, liability or obligation of any kind whatsoever of any of the Migu Plan Companies, and any accrued interest thereon and costs payable in respect thereof up to and including the Filing Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts which existed prior to the Filing Date, and includes Tax Claims and any other claims that would have been claims provable in bankruptcy had the applicable Migu Plan Company become bankrupt on the Filing Date; (b) any Restructuring Claim; and (c) any right or claim of any Person against one or more of the Directors or Officers that relates to a Claim described in paragraph (a) of this definition or a Restructuring Claim howsoever arising for which one or more of the Directors or Officers are by statute or otherwise by law liable to pay in their capacity as a Director or Officer.

“Claims Process” means the process established by the Claims Process Order for determining the validity and quantum of Claims, including for voting and distribution purposes under the Plan.

“Claims Process Order” means the Order made on July 22, 2019 establishing the Claims Process, as such Order may be amended and supplemented from time to time, including by the Order made October 1, 2019.

“Conditions Precedent” means those conditions precedent to the implementation of the Plan as set forth in Section 5.3.

“Convenience Creditor” means an Affected Creditor with a Convenience Creditor Claim.

“Convenience Creditor Claim” means: (a) any Proven Claim of an Affected Creditor in an amount that is less than or equal to \$1,500; and (b) any Proven Claim of an Affected Creditor that has delivered to the Monitor a Convenience Creditor Election in accordance with Section 3.5.

“Convenience Creditor Election” means an election form to be completed by an Affected Creditor with a Proven Claim in excess of \$1,500 that wishes to be treated as a Convenience Creditor for distribution purposes under the Plan and delivered to the Monitor in accordance with Section 3.5.

“Court” means the Supreme Court of British Columbia.

“Debtors” means those companies named as Respondents in the CCAA Proceedings, all of which are enumerated in Schedule “<@>” hereto.

“Directors’ Charge” means the charge in favour of the Debtors’ directors and officers provided for at paragraph 26 of the Initial Order securing the Debtors’ indemnity obligations to those directors and officers as set forth in the Initial Order.

“Directors” means, collectively, all current and former directors of the Migu Plan Companies.

“Directors and Officers” means, collectively, all past and present directors and officers of the Migu Plan Companies.

“Disclaimed Lease” means a real property lease in respect of which one of the Migu Plan Companies was a lessee and which was disclaimed, resiliated or terminated by such Migu Plan Company after the Filing Date.

“Distribution Date” means that date which is 15 days after the Effective Date, or such earlier or later date(s) as may be determined by the Monitor.

“Effective Date” means the Business Day on which the Monitor confirms to the Petitioners and the Debtors in writing that each of the Conditions Precedent have been satisfied or waived.

“Effective Time” means 5:00 p.m. (Vancouver time) on the Effective Date.

“Filing Date” means July 12, 2019.

“Initial Order” means the Order made on July 12, 2019.

“Interim Credit Facility Agreement” means the Interim Credit Facility Agreement among MIHK, as lender, and the Debtors (other than 1120701 B.C. Ltd.), as borrowers, dated July 12, 2019 and approved by the Initial Order, as amended from time to time.

“Interim Lender’s Charge” means the charge provided for at paragraph 54 of the Initial Order, securing the obligations of the applicable Debtors under the Interim Credit Facility Agreement.

“MCI” means Miniso Canada Investments Inc.

“Meeting” means the meeting of the Affected Creditors Class to be called, convened and conducted in accordance with the Plan and the Meeting Order at which the Affected Creditors will consider and vote on the Resolution.

“Meeting Order” means an Order to be sought establishing the Affected Creditors Class for the purposes of this Plan and for voting purposes, and directing the calling and holding of the Meeting, as such Order may be amended and supplemented from time to time.

“Migu Investments” means Migu Investments Inc.

“Migu Plan Companies” means those of the Debtors that are parties to this Plan, being, collectively, Miniso (Canada) Store One Inc., Miniso (Canada) Store Three Inc., Miniso (Canada) Store Four Inc., Miniso (Canada) Store Five Inc., Miniso (Canada) Store Eight Inc., Miniso (Canada) Store Nine Inc., Miniso (Canada) Store Ten Inc., Miniso (Canada) Store Eleven

Inc., Miniso (Canada) Store Twelve Inc., Miniso (Canada) Store Thirteen Inc., Miniso (Canada) Store Fourteen Inc. and Miniso (Canada) Store Twenty-One Inc.

“**Migu Vendors**” means the Debtors that are parties to the Acquisition Agreement, and includes without limitation Migu Investments, MCI, Miniso Store and the Migu Plan Companies.

“**MIHK**” means MIHK Management Inc.

“**Miniso Franchise**” means Miniso Franchise Canada Inc.

“**Miniso Lifestyle**” means Miniso Lifestyle Canada Inc.

“**Miniso Purchasers**” means Miniso Lifestyle and Miniso Franchise.

“**Miniso Store**” means Miniso (Canada) Store Inc.

“**Miniso Trading**” means Miniso Trading Canada Inc.

“**Monitor**” means Alvarez & Marsal Canada Inc., in its capacity as the monitor of the Debtors appointed pursuant to the Initial Order.

“**Monitor’s Implementation Certificate**” means a certificate to be filed by the Monitor in the CCAA Proceedings confirming that the Plan Transactions and the Acquisition Transactions have completed and that the Plan has been implemented in accordance with its terms.

“**Officers**” means, collectively, all current and former officers of the Migu Plan Companies.

“**Order**” means an order of the Court made in the CCAA Proceedings.

“**Person**” means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status.

“**Petitioners**” means, collectively, Miniso International Hong Kong Limited, Miniso International (Guangzhou) Co. Limited, Miniso Lifestyle, MIHK, Miniso Trading, Miniso Corporation and Guangdong Saiman Investment Co. Limited.

“**Plan**” means this plan of compromise and arrangement filed by the Migu Plan Companies pursuant to the CCAA, including any Schedules hereto, as may be amended, varied or supplemented hereafter in accordance with the terms hereof, or made at the direction of the Court in accordance with the Meeting Order.

“**Plan Transactions**” means those transactions to be implemented and completed, including the transfers to the Miniso Purchasers, or their nominee(s), of the Store Leases, all as contemplated by the Plan and as described in Section 6.2<@> hereof.

“Post-Filing Claim” means any indebtedness, liability or obligation of any of the Migu Plan Companies of any kind that arises after the Filing Date, provided that Post-Filing Claims shall not include any Restructuring Claims.

“Proven Claim” means the Claim of an Affected Creditor as finally determined for distribution purposes in accordance with the Claims Process Order, the Meeting Order and the Plan.

“Related Parties” means, with respect to any of the Migu Plan Companies, any of the other Debtors.

“Released Parties” means, collectively, and in their capacities as such: (i) the Migu Plan Companies; (ii) the legal and financial advisors to the Debtors; (iii) the Directors and Officers, solely to the extent of claims which such Directors or Officers is by statute or otherwise by law liable to pay in their capacity as a Director or Officer; (iv) the Monitor and its legal advisors; and (v) the Petitioners and their legal and financial advisors.

“Required Majority” means that number of Affected Creditors representing at least a majority in number of the Proven Claims, whose Affected Claims represent at least two-thirds in value of the Proven Claims validly voting in favour of the Resolution in person, or by proxy, or who are deemed to vote in favour of the Resolution pursuant to the Plan and the Meeting Order.

“Resolution” means the resolution to approve the Plan and the transactions contemplated thereby and which will be voted on by the Affected Creditors Class at the Meeting.

“Restructuring Claim” means any right or claim of any Person against any of the Migu Plan Companies in connection with any indebtedness, liability or obligation of any kind whatsoever owed by any of the Migu Plan Companies to such Person arising out of the restructuring, disclaimer, resiliation, termination, or breach on or after the Filing Date of any contract, employment agreement, lease or other agreement or arrangement, whether written or oral, and whether such restructuring, disclaimer, resiliation, termination or breach took place or takes place before or after the date of the Claims Process Order.

“Sanction Order” means an Order to be made under the CCAA that, among other things, sanctions, authorizes and approves, and directs the Migu Plan Companies to implement and complete, the Plan, the Acquisition Agreement, the Plan Transactions and the Acquisition Transactions.

“Service List” means the service list kept by the Monitor in the CCAA Proceedings.

“Stay Period” has the meaning set out at paragraph 18 of the Initial Order, as amended from time to time by subsequent Orders.

“Store Assets” means all of the assets and undertakings of the Migu Plan Companies, including the Store Leases.

“Store Leases” means the real property leases enumerated in Schedule “<@>” hereto.

“Supplier’s Charge” means the charge provided for at paragraph 49.01 of the Initial Order, as amended by the September 16, 2019 Order, securing payment by the Debtors to Miniso Trading for any inventory supplied by Miniso Trading from and after September 16, 2019.

“Tax” or “Taxes” means any and all amounts subject to a withholding or remitting obligation and any and all taxes, duties, fees, and other governmental charges, duties, impositions and liabilities of any kind whatsoever whether or not assessed by the Taxing Authorities (including any Claims by any of the Taxing Authorities), including all interest, penalties, fines, fees, other charges and additions with respect to such amount.

“Tax Claim” means any Claim against any of the Migu Plan Companies for any Taxes in respect of any taxation year or period ending on or prior to the Filing Date, and in any case where a taxation year or period commences on or prior to the Filing Date, for any Taxes in respect of or attributable to the portion of the taxation period commencing prior to the Filing Date and up to and including the Filing Date. For greater certainty, a Tax Claim shall include, without limitation, any and all Claims of any Taxing Authority in respect of transfer pricing adjustments and any Canadian or non-resident Tax related thereto.

“Taxing Authorities” means Her Majesty the Queen in right of Canada, Her Majesty the Queen in right of any province or territory of Canada, the Canada Revenue Agency and any similar revenue or taxing authority of any state, province, territory or other political subdivision in any other jurisdiction outside of Canada.

“Unaffected Claims” means, collectively:

- (a) any Claim of an employee of the Migu Plan Companies for wages, including accrued vacation liabilities, but excluding severance or termination pay;
- (b) any Claims secured by any of the CCAA Charges;
- (c) any Claim that cannot be compromised due to the provisions of sections 5.1(2) and 19(2) of the CCAA;
- (d) any Claims in respect of any payments referred to in sections 6(3), 6(5) and 6(6) of the CCAA;
- (e) all Claims in respect of leases that are not disclaimed by the Migu Plan Companies in the CCAA Proceedings; and
- (f) any Post-Filing Claims.

“Undeliverable Distributions” has the meaning set out in Section 4.6.

“Unresolved Claims” means a Claim that at the relevant time is disputed or otherwise unresolved and has not been accepted for purposes of voting on and/or receiving distributions under the Plan and is not barred pursuant to the Claims Process Order.

“Vesting Order” means an Order in a form approved by the Miniso Purchasers which, among other things, approves of the Acquisition Agreement and the Acquisitions Transactions and vests

in the Miniso Purchasers the assets to be acquired thereunder subject to payment of the purchase price under the Acquisition Agreement.

“**Website**” means www.alvarezandmarsal.com/minisocanada.

1.2 Construction

In the Plan, unless otherwise stated or the context otherwise requires:

- (a) the division of the Plan into Articles and Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of the Plan;
- (b) the words hereunder, hereof and similar expressions refer to the Plan and not to any particular Article, Section or Schedule and references to Articles, Sections and Schedules are to Articles and Sections of, and Schedules to the Plan;
- (c) words importing the singular include the plural and vice versa and words importing any gender include all genders;
- (d) the words includes and including and similar terms of inclusion shall not, unless expressly modified by the words only or solely, be construed as terms of limitation but rather shall mean includes without limitation or including without limitation, as applicable, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced, and includes any regulation made thereunder;
- (f) a reference to any agreement, indenture or other document is to that document as amended, supplemented, restated or replaced from time to time;
- (g) unless otherwise specified, all references to dollar amounts or to the symbol \$ are references to Canadian dollars; and
- (h) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Vancouver, British Columbia, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day.

1.3 Currency

For purposes relating to voting on the Plan and calculating distributions thereunder, any Claims submitted and denominated in a currency other than Canadian dollars shall be converted to Canadian dollars as at the Filing Date based on the Bank of Canada daily average exchange rate for exchanging currency to Canadian dollars on the Filing Date.

1.4 Interest

Interest shall not accrue or be paid on any Affected Claims after the Filing Date, and no Affected Claims shall be entitled to interest accruing on or after the Filing Date.

1.5 Schedules

The following are the Schedules to the Plan, each of which is incorporated into and forms part of the Plan:

Schedule A - <@>

Schedule B - <@>

Article 2 PURPOSE, EFFECT OF PLAN AND OPERATIONS

2.1 Purpose of Plan

The purpose of the Plan is to: (i) facilitate a restructuring transaction whereby, pursuant to this Plan and the Acquisition Agreement, the Miniso Purchasers will acquire substantially all of the assets of the Migu Vendors, including without limitation the Store Assets; and (ii) effect a compromise and settlement of all Affected Claims. Upon implementation of the Plan, Persons having Affected Claims will have released the Migu Plan Companies (but not the other Debtors) of all such Claims. The Directors and Officers of the Migu Plan Companies will be released from all Affected Claims for which they are liable by virtue of them being a Director or Officer, but not any other Claims, including claims identified under section 5.1(2) of the CCAA.

The Miniso Purchasers are secured creditors of the Migu Vendors, including by way of assignment to Miniso Franchise of the indebtedness owing by Migu Investments, MCI, and Miniso Store to MIHK and MIHK's security interest in those Debtors' assets. Pursuant to the Acquisition Agreement, the Miniso Purchasers are to acquire substantially all of the assets of the Migu Vendors, the purchase price for which will be a credit bid of some portion of the secured amounts owing to the Miniso Purchasers by the Migu Vendors as well as the payment to the Monitor of the Affected Creditors' Pot for distribution to the Affected Creditors in accordance with the terms of this Plan.

The effect of the overall restructuring transaction will be to consolidate and preserve the Migu Vendors' business under the ownership of the Miniso Purchasers with a view to reinvigorating and expanding the business pursuant to a long-term business plan.

Funding for distributions under the Plan is to be provided by the Miniso Purchasers pursuant to the Acquisition Agreement and in accordance with the terms of this Plan. It is a condition precedent to the Acquisition Agreement that this Plan be approved by the Required Majority and the Court in the CCAA Proceedings. Under the Plan, MCI, with the consent of those Petitioners that are secured creditors of MCI, will forego any distribution, thereby enhancing recovery for the other Affected Creditors.

Absent the funding to be provided by the Miniso Purchasers pursuant to the Acquisition Agreement, there is effectively little or no source of funds for payments to Affected Creditors. Accordingly, the Plan is premised on the expectation that affected stakeholders will derive a significantly greater benefit from the restructuring transaction and resultant distributions than would result from a bankruptcy or liquidation of the Migu Plan Companies' assets.

2.2 Persons Affected by the Plan

The Plan provides for: (i) the compromise, discharge and release of all Affected Claims against the Migu Plan Companies and against the Directors and Officers; and (ii) the transfer to the Miniso Purchasers of all of the Store Assets.

The Plan will become effective on the Effective Date in accordance with the steps set out in Section 6.2 hereof, and shall be binding on and enure to the benefit of the Migu Plan Companies, the Affected Creditors, the Directors and Officers and all other Persons named or referred to in, or subject to, the Plan.

2.3 Unaffected Claims

The Plan does not affect the Unaffected Claims. Persons with Unaffected Claims will not be entitled to vote on or receive any distributions under the Plan in respect of such Claims. Nothing in the Plan shall affect any of the Migu Plan Companies' rights and defences, both legal and equitable, with respect to any Unaffected Claim, including all rights with respect to legal and equitable defences or entitlements to set-offs and recoupments against such Claims.

Article 3

CLASSIFICATION OF CREDITORS, VOTING CLAIMS AND RELATED MATTERS

3.1 Claims Process

The Claims Process shall be governed by the Claims Process Order, the Meeting Order, the CCAA and the Plan. Where there is any inconsistency between the terms of the Plan, the Meeting Order and the Claims Process Order relating to the Claims Process, the terms of the Claims Process Order will govern, except that the Plan will govern with respect to the definition of "Unaffected Claims".

3.2 Classes of Creditors

For purposes of voting on the Plan, there will only be one class of creditors, being the Affected Creditors Class.

3.3 Meeting

The Meeting shall be convened on the meeting date, as set out in the Meeting Order, and held in accordance with the CCAA, the Meeting Order and the Plan. At the Meeting, each Affected Creditor voting, whether in person or by proxy, ballot or other voting instrument, shall vote on the Resolution.

The only Persons entitled to attend the Meeting are Affected Creditors and their legal counsel; the Migu Plan Companies and their legal counsel and advisors; the Directors and Officers and their legal counsel and advisors; the Monitor and its legal counsel; the Miniso Purchasers and their legal counsel and advisors; and those Persons, including the holders of proxies, ballots or other voting instruments, entitled to vote at the Meeting and their legal counsel and advisors. Any other Person may be admitted only on invitation of the chair of the Meeting.

3.4 Voting at the Meeting

At the Meeting, the Affected Creditors Class shall vote on whether to approve the Resolution and each Affected Creditor with a Proven Claim shall be entitled to one vote, which vote shall have a value equal to the dollar value of its Proven Claim.

Notwithstanding the foregoing, all Convenience Creditors are irrevocably deemed to have voted the full amount of their Proven Claims in favour of the approval of the Resolution.

3.5 Convenience Creditor Election

An Affected Creditor with a Proven Claim in excess of \$1,500 that wishes to be treated as a Convenience Creditor under the Plan must deliver a duly completed and executed Convenience Creditor Election to the Monitor prior to 5:00 p.m. (Vancouver time) on October 31, 2019 <@>, and upon doing so such Affected Creditor: (i) is irrevocably deemed to have voted the full amount of its Proven Claim in favour of the Resolution as a member of the Affected Creditors Class; and (ii) shall be treated as a Convenience Creditor for the purpose of distributions made under the Plan.

3.6 Parties Not Entitled to Vote

Persons having Unaffected Claims shall not be entitled to vote at the Meeting in respect of their Unaffected Claims.

Convenience Creditors are deemed to vote in favour of the Plan as members of the Affected Creditors Class and shall not be entitled to vote against the Plan at the Meeting in respect of their Proven Claims.

3.7 Fractions

An Affected Creditor's Proven Claim shall not include fractional numbers and Proven Claims shall be rounded down to the nearest whole dollar amount without compensation.

3.8 Voting of Unresolved Claims

Subject to Section 3.6, each Affected Creditor holding an Unresolved Claim as of the date of the Meeting shall be entitled to attend and vote at the Meeting. The Monitor shall keep a separate record of votes cast by Affected Creditors holding Unresolved Claims and shall report to the Court as to the number and amounts of any such votes if determined necessary by the Monitor. The votes cast in respect of any Unresolved Claims shall not be counted for any purpose unless, until and only to the extent that such Unresolved Claim is finally determined to be a Proven Claim.

3.9 Approval by Required Majority

The Monitor shall record and tabulate all votes cast at the Meeting. In order to be approved, the Resolution must receive an affirmative vote by the Required Majority of the Affected Creditors Class.

3.10 Assignment of Claims Prior to the Meeting

An Affected Creditor may transfer or assign the whole of its Claim prior to the Meeting in accordance with the Claims Process Order, provided that the Migu Plan Companies and the Monitor shall not be obliged to deal with any such transferee or assignee as an Affected Creditor in respect thereof, including allowing such transferee or assignee to vote at the Meeting, unless actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the Monitor prior to 5:00 p.m. on the day that is at least two (2) Business Days prior to the date of the Meeting. Upon transfer or assignment of a Claim in accordance herewith, such transferee or assignee shall, for all purposes in accordance with the Claims Process Order, the Meeting Order, the CCAA and the Plan constitute an Affected Creditor and shall be bound by any and all notices previously given to the transferor or assignor in respect of such Claim. Such transferee or assignee shall not be entitled to set off, apply, merge, consolidate or combine any Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such person to any of the Migu Plan Companies and Claims acquired by a transferee or assignee will not merge, consolidate or combine with any of the transferee's or assignee's other Claims.

For greater certainty, the Migu Plan Companies and the Monitor shall not recognize partial transfers or assignments of Claims by Affected Creditors.

Article 4 DISTRIBUTIONS AND PAYMENTS

4.1 Distributions to Affected Creditors

(a) Convenience Creditors

On the Distribution Date, the Monitor, on behalf of the Migu Plan Companies, shall distribute to each Convenience Creditor with a Proven Claim an amount in cash equal to the lesser of (a) \$1,500 and (b) the value of such Convenience Creditor's Proven Claim.

(b) All Other Affected Creditors

On the Distribution Date, the Monitor, on behalf of the Migu Plan Companies, shall distribute to each Affected Creditor (that is not a Convenience Creditor) with a Proven Claim their *pro rata* share of the Affected Creditors' Pot.

4.2 Related Parties

Related Parties will not receive any distributions in respect of any Claims.

4.3 Delivery of Affected Creditor Distributions

Distributions to Affected Creditors under the Plan will be paid in Canadian dollars and in such manner as the Monitor shall deem appropriate, including by utilizing the bank accounts and payment process of the Debtors.

4.4 Unresolved Claims and Distributions

An Affected Creditor holding an Unresolved Claim will not be entitled to receive a distribution under the Plan in respect of any portion thereof unless and until such Unresolved Claim becomes a Proven Claim.

The Monitor, in consultation with the Migu Plan Companies, shall complete the resolution of the Unresolved Claims in accordance with the Claims Process Order, the Meeting Order, the Sanction Order and the Plan.

4.5 Taxes

In connection with the Plan and all distributions hereunder, the Migu Plan Companies shall, to the extent applicable, comply with all Tax withholding and reporting requirements imposed by any law of a federal, state, provincial, local, or foreign taxing authority, and all distributions hereunder shall be subject to, and made net of, any such withholding and reporting requirements. Notwithstanding any other provision of the Plan, each Affected Creditor that is to receive a distribution pursuant to the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed by any governmental entity, including income, withholding and other Tax obligations, on account of such distribution.

4.6 Undeliverable Distributions

If a distribution to an Affected Creditor in respect of its Proven Claim is returned as undeliverable (each, an “**Undeliverable Distribution**”), no further delivery will be required unless and until the Monitor is notified in writing of such Affected Creditor’s then current address. Any obligation to an Affected Creditor relating to an Undeliverable Distribution will expire six (6) months after the date of such distribution, after which date any liability to such Affected Creditor under the Plan will be forever barred, discharged, released and extinguished with prejudice and without compensation and the amount of such Undeliverable Distribution shall be repaid to the Miniso Purchasers. In addition, following that date, the Migu Plan Companies and the Monitor shall not be liable to the Affected Creditor or any other Person for any damages related to the Undeliverable Distribution. No interest shall be payable in respect of an Undeliverable Distribution.

4.7 Assignment of Claims Subsequent to the Meeting

After the Meeting, an Affected Creditor may transfer or assign the whole, but not part, of its Claim, provided that the Monitor shall not be obliged to make distributions to any transferee or assignee of an Affected Creditor’s Claim or otherwise deal with such transferee or assignee as an Affected Creditor in respect thereof unless and until actual notice of the transfer or assignment, together with satisfactory evidence of such transfer or assignment, has been received by the

Monitor prior to 5:00 p.m. on that day that is at least five (5) Business Days prior to the Distribution Date. Upon transfer or assignment of a Claim in accordance herewith, such transferee or assignee shall, for all purposes in accordance with the Claims Process Order, constitute an Affected Creditor and shall be bound by notices given and steps taken in respect of such Affected Creditor's Claim. For greater certainty, the Migu Plan Companies shall not recognize partial transfers or assignments of Affected Creditors' Claims. A transferee or assignee of an Affected Creditor's Claim shall not be entitled to set-off, apply, merge, consolidate, or combine any such Claims assigned or transferred to it against or on account or in reduction of any amounts owing by such transferee or assignee to any of the Migu Plan Companies.

4.8 Crown Priority Claims

Within six months after the date of the Sanction Order, the Migu Plan Companies will pay in full to Her Majesty in Right of Canada or of a province all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- (a) subsection 224(1.2) of the *Income Tax Act*;
- (b) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
 - (i) has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
 - (ii) is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

Article 5

SANCTION ORDER AND CONDITIONS TO PLAN IMPLEMENTATION

5.1 Application for Sanction Order

If the Plan is approved by the Required Majority of the Affected Creditors Class, the Monitor, on behalf of the Debtors, shall apply to the Court for the Sanction Order. The Monitor shall use commercially reasonable efforts to obtain the Sanction Order on or before November 6, 2019.

Subject to the Sanction Order being granted and the satisfaction or waiver by the Migu Plan Companies of the Conditions Precedent, the Plan will be implemented by the Migu Plan Companies as provided in Section 6.2.

5.2 Effect of the Sanction Order

In addition to sanctioning the Plan, the Sanction Order to be sought by the Monitor will, without limitation to any other terms that it may contain:

- (a) confirm that the Meeting was duly called and held in accordance with the Meeting Order;
- (b) declare that: (i) the Plan has been approved by the Required Majority of the Affected Creditors Class in conformity with the CCAA; (ii) the Migu Plan Companies have complied with the provisions of the CCAA and all Orders in all respects; (iii) the Court is satisfied that the Migu Plan Companies have not done or purported to do anything that is not authorized by the CCAA; and (iv) the Plan and the transactions contemplated thereby are fair and reasonable;
- (c) declare that, as at the Effective Time, the Plan and all associated steps, compromises, transactions, arrangements, assignments, releases and the restructuring effected thereby are approved, binding and effective as herein set out upon the Migu Plan Companies, all Affected Creditors, and all other Persons affected by the Plan;
- (d) declare that the compromises, arrangements, discharges and the releases referred to in the Plan are approved and shall become binding and effective in accordance with the Plan;
- (e) compromise, discharge and release the Migu Plan Companies from any and all Affected Claims and declare that the ability of any Person to proceed against any of the Migu Plan Companies in respect of or relating to any such Affected Claims shall be forever discharged, extinguished, released and restrained, and all proceedings with respect to, in connection with or relating to such Affected Claims shall be permanently stayed against the Migu Plan Companies, subject only to the right of Affected Creditors to receive distributions pursuant to the Plan in respect of their Affected Claims;
- (f) authorize and direct the Migu Plan Companies, after the Effective Date, to complete the Plan Transactions and the Acquisition Transactions, all without the need for any further approvals or actions on the part of the Directors and Officers or any other Persons;
- (g) declare that, subject to the performance by the Migu Plan Companies of their obligations under the Plan, all obligations, contracts, agreements, leases or other arrangements to which any of the Migu Plan Companies is a party shall be and remain in full force and effect, unamended, as at the Effective Date, unless disclaimed or resiliated by the applicable Migu Plan Company prior to the

Effective Date, and no party to any such obligation or agreement shall, on or following the Effective Date, accelerate, terminate, refuse to renew, rescind, refuse to perform or otherwise disclaim or resiliate its obligations thereunder, or enforce or exercise (or purport to enforce or exercise) any right or remedy under or in respect of any such obligation or agreement, by reason:

- (i) of any event which occurred prior to, and not continuing after, the Effective Date or which is or continues to be suspended or waived under the Plan, which would have entitled any other party thereto to enforce those rights or remedies;
 - (ii) that the Migu Plan Companies have sought or obtained relief or have taken steps as part of the Plan or under the CCAA;
 - (iii) of any default or event of default arising as a result of the financial condition or insolvency of the Migu Plan Companies;
 - (iv) of the effect upon the Migu Plan Companies of the completion of any of the transactions contemplated under the Plan or the Acquisition Agreement; and
 - (v) of any compromises, settlements, restructurings and releases effected pursuant to the Plan;
- (h) pursuant to and in accordance with section 11.3 of the CCAA, order the assignment to the applicable Miniso Purchaser of any of the Store Leases not assigned pursuant to an agreement with the applicable landlord;
- (i) authorize all Persons named in the Plan to perform their functions and fulfil their obligations under the Plan to facilitate the implementation of the Plan;
- (j) declare that all distributions to the Affected Creditors under the Plan are for the account of the Migu Plan Companies and the fulfillment of the Migu Plan Companies' obligations under the Plan;
- (k) declare that the Stay Period under the Initial Order continues until the discharge of the Monitor;
- (l) confirm the releases contemplated in Section 7.2; and
- (m) authorize and direct the Monitor to apply to the Court for its discharge.

5.3 Conditions Precedent to Plan Implementation

The implementation of this Plan is subject to the satisfaction or waiver of the following Conditions Precedent on or prior to the Effective Date:

- (a) the Acquisition Agreement has been executed by the Migu Vendors and the Miniso Purchasers;

- (b) the Court shall have granted the Vesting Order;
- (c) all conditions precedent to the Acquisition Agreement shall have been satisfied or waived in accordance therewith; and
- (d) the Plan shall have been approved by the Required Majority of the Affected Creditors Class;
- (e) the Plan shall have been approved and sanctioned by the Court, and the Sanction Order and Vesting Order are in full force and effect and all applicable appeal periods in respect thereof have expired and any appeals therefrom have been finally disposed of by the applicable appellate court;
- (f) all definitive legal documentation contemplated by the Plan and the Sanction Order, and necessary to complete the Plan Transactions, shall have been finalized, executed and held in escrow for release on the Effective Date;
- (g) for each of the Store Leases, the Migu Plan Companies shall have obtained either:
 - (i) an agreement of the applicable landlords assigning the Store Leases to the applicable Miniso Purchaser; or
 - (ii) for those Store Leases in respect of which an assignment by the landlords could not be obtained, an Order assigning such Store Leases to the applicable Miniso Purchaser; and
- (h) the Miniso Purchasers shall have delivered funds to the Monitor in an amount sufficient to fund all distributions to Affected Creditors under this Plan.

Any Condition Precedent other than any statutory requirements regarding the voting, approval and sanctioning of the Plan pursuant to the provisions of the CCAA may be waived by the Migu Plan Companies with the written consent of the Miniso Purchasers.

5.4 Failure to Satisfy Conditions Precedent

If the Conditions Precedent are not satisfied or waived in accordance with Section 5.3 on or before November 15, 2019 <@> or such later date as may be agreed to by the Migu Plan Companies and the Miniso Purchasers, the Plan shall not be implemented and shall cease to have any further force or effect.

Article 6 RESTRUCTURING AND PLAN IMPLEMENTATION

6.1 Corporate and Other Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under the Plan involving corporate or other action of the Migu Plan Companies will occur and be effective as of the Effective Time and will be authorized and approved under the Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by any of the Directors and Officers. All necessary approvals to take actions, if required, shall be deemed to have been obtained from the boards of directors of the Migu Plan Companies.

6.2 Plan Transactions

On or prior to the Effective Date, all Conditions Precedent must be satisfied or waived in accordance with the Plan and the Sanction Order, and all actions, documents, agreements and funding necessary to implement all of the following transactions must be in place and be final and irrevocable prior to the Effective Date and shall then be held in escrow and shall be released without any further act or formality and no other act or formality shall be required.

On the Effective Date, the following transactions will be deemed to have occurred:

- (a) the transfer of all Store Assets to the Miniso Purchasers; and
- (b) in accordance with the terms of the Sanction Order, the assignment to the applicable Miniso Purchaser of all Store Leases not assigned pursuant to an assignment agreement.

Notwithstanding anything to the contrary herein, after the Effective Date, the Monitor, on behalf of the Migu Plan Companies, shall take such steps as are necessary to record, document and give effect to the Plan Transactions.

Article 7 EFFECT OF PLAN

7.1 Binding Effect of the Plan

The Plan (including, without limitation, the releases and injunctions contained herein), upon being sanctioned and approved by the Court pursuant to the Sanction Order shall be binding as of the Effective Time on all Persons irrespective of the jurisdiction in which the Persons reside or in which the Claims arose and shall constitute:

- (a) full, final and absolute settlement of all rights of any Affected Creditor; and
- (b) an absolute release, extinguishment and discharge of all indebtedness, liabilities and obligations of or in respect of any Affected Claim.

7.2 Released Parties

From and after the Effective Time, each of the Released Parties will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including any Person who may claim contribution or indemnification against or from the Released Parties) may be entitled to assert, including any and all Claims in respect of statutory liabilities of Directors and Officers, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time relating to, arising out of or in connection with any Claim, including any Claim arising out of (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other

arrangement, whether written or oral, (ii) the Plan; (iii) the Plan Transactions and any other transaction referenced in and relating to the Plan; and (iv) the CCAA Proceedings.

From and after the Effective Time, all Persons, along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnities, agents, dependants, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to claims against the Released Parties, from:

- (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties;
- (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or their property;
- (c) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation by way of contribution or indemnity or other relief, in common law, or in equity, breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who, as a result, makes or might reasonably be expected to make a claim, in any manner or forum, against any of the Released Parties;
- (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; or
- (e) taking any actions to interfere with the implementation or consummation of this Plan or the transactions contemplated therein.

7.3 Claims Not Released

For clarity, nothing in Sections 7.1 or 7.2 will release or discharge:

- (a) the Migu Plan Companies from or in respect of any Unaffected Claim or its obligations to Affected Creditors under the Plan or under any Order; and
- (b) a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct or to have been grossly negligent or, in the case of Directors, in respect of any claim referred to in section 5.1(2) of the CCAA.

7.4 Consents, Waivers and Agreements at the Effective Time

At the Effective Time, each Affected Creditor will be deemed to have consented and agreed to all of the provisions of the Plan, in its entirety. Without limitation to the foregoing, each Affected Creditor will be deemed:

- (a) to have executed and delivered to the Migu Plan Companies all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out the Plan in its entirety;
- (b) to have waived any default by or rescinded any demand for payment against the Migu Plan Companies that has occurred on or prior to the Effective Date;
- (c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Affected Creditor and any of the Migu Plan Companies with respect to an Affected Claim as at the Effective Date and the provisions of the Plan, then the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly; and
- (d) from and after the Effective Time, such Affected Creditor shall be deemed to have waived any and all defaults of the Migu Plan Companies then existing or previously committed or caused by the Migu Plan Companies, directly or indirectly, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, express or implied, in any contract, credit document, agreement for sale, lease or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Affected Creditor and any of the Migu Plan Companies arising from the CCAA Proceedings or the transactions contemplated by the Plan and the failure by the Migu Plan Companies to receive any consent from such Affected Creditor to any transaction contemplated by the Plan and any and all notices of default and demands for payment under any instrument, including any guarantee arising from such default, shall be deemed to have been rescinded.

Article 8 GENERAL

8.1 Amendments to the Plan

Before and during the Meeting, with the prior express consent of the Miniso Purchasers, the Migu Plan Companies may at any time and from time to time, amend the Plan by written instrument and the Monitor shall post such amendment on the Website. The Monitor will advise all Affected Creditors present at the Meeting of the details of any such amendment prior to the vote being taken to approve the Resolution.

After the Meeting, with the prior written consent of the Miniso Purchasers, the Migu Plan Companies may at any time and from time to time amend the Plan:

- (a) without an Order if, in the opinion of the Monitor, such amendment would not be materially prejudicial to the interests of the Affected Creditors under the Plan or is necessary to give effect to the full intent of the Plan or the Sanction Order; or
- (b) pursuant to an Order made on notice to all Persons potentially affected by such variation, amendment, modification or supplement.

8.2 Severability

If, prior to the Effective Time, any provision of the Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Migu Plan Companies with the prior written consent of the Miniso Purchasers, may alter and interpret such provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of such provision, and such provision will then be applicable as altered or interpreted and the remainder of the provisions of the Plan will remain in full force and effect and will in no way be invalidated by such alteration or interpretation.

8.3 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

8.4 Paramountcy

From and after the Effective Time, any conflict between the Plan and the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, loan agreement, commitment letter, agreement for sale, bylaws of the Migu Plan Companies, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and any of the Migu Plan Companies as at the Effective Date will be deemed to be governed by the terms, conditions and provisions of the Plan and the Sanction Order. Notwithstanding the foregoing, as between the Plan and the Sanction Order, the terms of the Sanction Order shall take precedence.

8.5 Set-Off

Subject to Sections 3.10 and 4.7, the law of set-off applies to all Affected Claims.

8.6 Responsibilities of the Monitor

The Monitor is acting in its capacity as monitor of the Debtors, including the Migu Plan Companies, in the CCAA Proceedings and not in its personal capacity and will not be responsible or liable for any obligations of the Migu Plan Companies under the Plan, including with respect to the making of distributions or the receipt of any distribution by an Affected Creditor pursuant to the Plan. The Monitor will have the powers and protections granted to it by the Plan, the CCAA and any Orders.

8.7 Different Capacities

Persons who are affected by the Plan may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity in accordance with the Meeting Order. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless otherwise provided in the Meeting Order, or unless expressly agreed by the Person in writing.

8.8 Further Assurances

At the request of the Monitor, Migu Plan Companies or the Miniso Purchasers, each of the Persons named or referred to in, or subject to, the Plan will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Plan and to give effect to the transactions contemplated herein, including the Plan Transactions, notwithstanding any provision of the Plan that deems any transaction or event to occur without further formality.

8.9 Governing Law

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

8.10 Notices

Except as otherwise provided for in the Meeting Order, any other notice or other communication to be delivered or filed hereunder must be in writing and reference the Plan and may, subject as hereinafter provided, be made or given by personal delivery, ordinary mail, facsimile or by e-mail (scanned copy) addressed to the respective parties as follows:

(a) if to the Migu Plan Companies:

<@>

Attention: <@>

Email: <@>

With a copy to:

McMillan LLP

Royal Centre, 1055 West Georgia Street, Suite 1500

Vancouver, British Columbia V6E 4N7

Attention: Vicki Tickle

Email: vicki.tickle@mcmillan.ca

(b) if to the Monitor:

Alvarez & Marsal Canada Inc., in its capacity as court-appointed monitor of Migu Investments Inc. et al

400 Burrard, Street Suite 1680

Vancouver, British Columbia, Canada, V6C 3A6

Attention: Pinky Law

Email: pinky.law@alvarezandmarsal.com

With a copy to:

Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, British Columbia V6C 3R8
Attention: John Sandrelli and Jordan Schultz
Email: john.sandrellis@dentons.com
jordan.schultz@dentons.com

or to such other address as any party may from time to time notify the others in accordance with this section. All such communications that are delivered will be deemed to have been received on the day of delivery. All such communications that are sent by facsimile or e-mail (scanned copy) will be deemed to be received on the day sent if sent before 5:00 p.m. on a Business Day and otherwise will be deemed to be received on the Business Day next following the day upon which such facsimile or e-mail (scanned copy) was sent. Any notice or other communication sent by mail will be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure by the Migu Plan Companies to give a notice contemplated hereunder will not invalidate any action taken by any Person pursuant to the Plan. For clarity, any notice or communication in respect of a notice of dispute of claim filed with the Monitor must be delivered to the Monitor in accordance with the Claims Process Order.

DATED at the City of Vancouver, in the Province of British Columbia, this <@> day of October, 2019.

SCHEDULE “A”

DEBTORS

1. MIGU INVESTMENTS INC.
2. MINISO CANADA INVESTMENTS INC.
3. MINISO (CANADA) STORE INC.
4. MINISO (CANADA) STORE ONE INC.
5. MINISO (CANADA) STORE TWO INC.
6. MINISO (CANADA) STORE THREE INC.
7. MINISO (CANADA) STORE FOUR INC.
8. MINISO (CANADA) STORE FIVE INC.
9. MINISO (CANADA) STORE SIX INC.
10. MINISO (CANADA) STORE SEVEN INC.
11. MINISO (CANADA) STORE EIGHT INC.
12. MINISO (CANADA) STORE NINE INC.
13. MINISO (CANADA) STORE TEN INC.
14. MINISO (CANADA) STORE ELEVEN INC.
15. MINISO (CANADA) STORE TWELVE INC.
16. MINISO (CANADA) STORE THIRTEEN INC.
17. MINISO (CANADA) STORE FOURTEEN INC.
18. MINISO (CANADA) STORE FIFTEEN INC.
19. MINISO (CANADA) STORE SIXTEEN INC.
20. MINISO (CANADA) STORE SEVENTEEN INC.
21. MINISO (CANADA) STORE EIGHTEEN INC.
22. MINISO (CANADA) STORE NINETEEN INC.
23. MINISO (CANADA) STORE TWENTY INC.
24. MINISO (CANADA) STORE TWENTY-ONE INC.
25. MINISO (CANADA) STORE TWENTY-TWO INC.
26. 1120701 B.C. LTD.

SCHEDULE “B”
STORE LEASES

