

This is the 1<sup>st</sup> Affidavit  
of Vanessa Du in this case and  
was made on 16/Sept/2019

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, 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. and MINISO (CANADA) STORE TWENTY-TWO INC. and  
1120701 B.C. LTD.

**RESPONDENTS**

**AFFIDAVIT**

I, VANESSA DU, of the City of Toronto in the Province of Ontario, SWEAR THAT:

1. I am an investor in the Miniso brand store located at Oakville Place, 240 Leighland Ave (the "**Store**"). As such, I have knowledge of the facts set out herein, except as based on information and belief, in which case I have identified the source of the information and verily believe it to be true.
2. I make this affidavit in support of the request made by a group of continuing store investors listed in the appended Schedule "A" hereto, (the "**Investors**" and each an "**Investor**") to adjourn the Monitor's application for an order that, among other things:
  - a. establishes a priority charge in favour of Miniso Trading Canada Inc. (the "**Supplier's Charge**");
  - b. directs and authorizes the Monitor to disclaim and resiliate the real property leases associated with the Investors' stores (the "**Investor Stores**") in the event that the Investors do not confirm their agreement to the go forward arrangements (the "**Proposal**") required by Miniso Lifestyle Canada Inc. and its affiliates ("**Miniso Group**") by 10:00 AM PST on September 16, 2019 or in the event that the Investor decline to participate in such arrangements; and
  - c. directs and authorizes the Monitor to sell the business assets of the Investors' Stores on an "as-is, where-is" basis to the Petitioners at 10% above a forced liquidation value notwithstanding the potential prejudice to the Investors.
3. The Investors do not oppose any of the other relief sought, including the extension of the stay of proceedings.

**OVERVIEW**

4. I am one of a number of joint venture Investors who entered into an Investment and Cooperation Agreement (the "**Investment Agreement**") with Miniso Canada Investments Inc. ("**Miniso Canada**"). A copy of the Investment Agreement between my numbered corporation, 2623211 Ontario Inc. and Miniso Canada dated August 16, 2018 is appended as Exhibit "A".
5. Other Investors have similar arrangements with Miniso Canada. I am advised by the Investors that each Investor executed a similar Investment Agreement with Miniso Canada.
6. The Investors are individuals with interests in Miniso brand stores across Canada. As a whole, the Investors are generally not sophisticated and, in fact, most are unfamiliar with

business restructurings and CCAA proceedings. The relative unsophistication of the Investors, combined with the fact that english is their second language, makes it challenging for these Investors to fully grasp the implications of the Proposal and their rights in the CCAA proceedings. Not surprisingly, they have had difficulty navigating the CCAA process generally, especially in this circumstance where the Monitor is essentially a "super monitor" and acting for and on behalf of Miniso Canada.

## **PROPOSAL BY MINISO GROUP**

7. On or around August 9, 2019, the Monitor, on behalf of the Miniso Group and the CCAA Debtors issued a letter (the "**August 9 Offer**") setting out terms of the Proposal pursuant to which the Miniso Group would acquire each Investor's interests in the Miniso stores. The August 9 Offer is appended hereto as Exhibit "B".
8. The August 9 Offer required the Investors to confirm their interest in proceeding with the Proposal by no later than August 21, 2019 (approximately 10 days).
9. I, along with all of the other Investors, had many questions about the August 9 Offer.
10. On August 16, 2019, the Monitor delivered a letter clarifying certain issues and scheduling an information session to be held on August 21, 2019 to address the many questions and concerns that had arisen with respect to the Proposal. The letter specified that the August 21, 2019 deadline was extended to August 23, 2019. A copy of the Monitor's letter dated August 16, 2019 is appended hereto as Exhibit "C".
11. On August 21, 2019, a meeting was held at the offices of Fasken Martineau DuMoulin LLO, Miniso Group's counsel. At this meeting, the Investors learned that no financial projections in respect of the continuing Investor Stores would be disclosed to them, other than the historical figures based on each store's May 2018 performance. The Investors also learned that they would be required to execute releases in favour of both Miniso Group and the CCAA Debtors.
12. On August 23, 2019, the Monitor delivered to those Investors who had submitted an expression of interest, a franchise disclosure package, which contained over 300 pages of disclosure and documentation (the "**Franchise Disclosure**"). The Franchise Disclosure also contained template transaction documents. Due to its volume, the Franchise Disclosure is not appended in its entirety. A copy of the disclosure document contained in the Franchise Disclosure is appended as Exhibit "D".
13. Each of the Investors received a Franchise Disclosure package.
14. The August 23<sup>rd</sup> cover letter accompanying the Franchise Disclosure provided that on September 9, 2019 (the "**Execution Deadline**") Miniso would provide a package of definitive agreements for signature to Investors. Under the specified timelines, the

definitive agreements would have to be executed and returned to Miniso Group on the same day they were received. A copy of the Franchise Disclosure cover letter and receipt are appended hereto as Exhibit "E".

15. The Franchise Disclosure document is not a simple document to review, in fact I myself and the other Investors found the disclosure and other form of documents quite complicated to review. I understand franchise disclosure laws are highly specialized and can be very technical.
16. The Proposal and Franchise Disclosure document revealed that each of the proposed: (i) franchisor, (ii) franchisee, (iii) store manager, and (iv) key supplier would all be entities that belong to the Miniso Group. Given the non-arms length relationship among all of these parties, the Investors' immediate concerns were:
  - a. the potential for the Investors to have to fund loss amounts at each store;
  - b. the relative ease in which the Miniso Group could, at any time, terminate or dilute the Investors' interest in their stores; and
  - c. The inflation of management expenses and value being stripped at the store level creating the potential for greater loss amounts to be funded by Investors and greater profit margins to the Miniso Group as a whole (through management fees etc), each in essence depriving the Investors of any dividends as equity holders.
17. I am advised by the Investors that, beginning in or around August 21, 2019, many of the Investors have been individually engaged in discussions with Miniso Group's representative, Andrew Xie. Many of the discussions were to clarify the Proposal terms and to seek further financial and other information that would allow the Investors to assess the viability of the stores on a go-forward basis in order to determine if they would accept the Proposal terms.
18. I am advised by the Investors that they have received some information, but such information is not sufficient in order to make an informed decision on the viability of the Proposal.
19. Given the difficulty the Investors have had in understanding the Proposal and the lack of visibility into the projected performance of the stores going forward, on or around September 4, 2019, I and a group of Investors retained counsel- Brauti Thorning LLP to assist us with the Proposal ("**Investor Counsel**")
20. On September 6, 2019, Investor Counsel sent a letter to the Monitor, their counsel, and counsel to Miniso Group setting out the concerns that the Investors had with respect to the Proposal and requesting an extension of the September 6, 2019 deadline to allow



further time for the Investors to consider the terms of the Proposal. A copy of the letter is attached hereto as Exhibit "F".

21. On September 9, 2019, counsel for Miniso Group sent a letter to Investor Counsel advising that Miniso Group was not agreeable to extending the deadline. A copy of the letter is attached hereto as Exhibit "G".
22. None of the Investors were in a position to sign back the Proposals on September 9, 2019. In fact, definitive documents for execution by the Investors were only provided by Miniso Group's counsel on September 10, 2019.
23. On September 10, 2019, Investor Counsel called the Monitor's counsel to confirm that the deadline for the Proposal had in fact been extended and to request that the Monitor not disclaim any of the Investor Store leases in the interim. The Investors also requested that the Miniso Group cover a portion of the Investors' costs to review the extensive and complicated Disclosure Package. The Monitor's email responding to the request is appended hereto as Exhibit "H".
24. I am advised by Investor Counsel that on September 13, 2019, a call was held between the Monitor and their counsel, Miniso Group's counsel and my counsel to discuss the Proposal.
25. During the call, Investor Counsel advised of the significant concerns of the Investors, including as to:
  - a. the terms of the Proposal for the Investors,
  - b. the lack of information that would allow the Investors to understand their relative position in a liquidation if no deal was reached;
  - c. the nature and validity of Miniso Group's security, including whether the \$38 million indebtedness claimed by Miniso Group was in fact equity instead of debt. My counsel requested a reasonable amount of time for us to fully assess our position without fear of a disclaimer of leases or a shuttering of all of the Investor Stores in Canada; and
  - d. the fact that they were being asked to execute definitive documents and release the CCAA Debtors without understanding their rights in a CCAA or how any plan of arrangement would be structured.
26. On September 13, 2019, Miniso Group's counsel delivered a letter to my counsel denying any further time for the Investors and insisting that the Proposal be accepted by no later than today- September 16, 2019 at 10:00 a.m. Vancouver time. The letter stated that Miniso Group would terminate the supply and license agreements to the stores if that

deadline was not met. A copy of the September 13, 2019 letter is attached hereto as Exhibit "I".

27. I am advised by Investor Counsel that they requested a further discussion on September 16, 2019 with Miniso Group's corporate counsel and the Monitor about the definitive documents. The email from Investor Counsel to Miniso Group's counsel and responding email is appended as Exhibit "J".
28. I understand that during that call Investor Counsel raised a number of terms that were concerning to the Investors, including the multiple avenues for the dilution or forfeit by the Investors of their equity in the go forward stores at any time without any default on the part of the Investors and the relative ease that the Franchisor/Franchisee/Manager/Supplier, all being the Miniso Group, could ensure that Investors never receive any profits, that loss amounts (required to be 49% funded by the Investors) are inflated or that the Franchise Agreement could be easily breached notwithstanding the Franchisee/Franchisor/Store Manager and Supplier are all the same parties and would be, in essence, responsible for such breach.
29. Following that discussion, Miniso Group's counsel sent an email to Investor Counsel addressing just two of the points raised on the call; acknowledging that certain terms in the definitive documents would need to be revised, and agreeing to adjust the applicable interest rate (18% per annum but compounded monthly) subject to instruction. A copy of the email dated September 13, 2019 is appended hereto as Exhibit "K".
30. I am advised by Investor Counsel that on September 14, 2019, they had a further discussion with the Monitor in respect of the potential liquidation value and likely recoveries in a CCAA liquidation setting. In addition, the Investor Counsel notified the Monitor of their concerns as to the nature of the indebtedness of the Miniso Group.
31. The Investors need a short period of indulgence (10 days) to satisfy themselves that the Proposal is satisfactory given the alternatives in the CCAA, and to fully understand their rights in the CCAA proceedings. They have expended significant time and resources in attempting to understand their rights in a CCAA and the implications of the Proposal on their go-forward interests in the stores. They are highly motivated to conclude a deal if it would be beneficial given the alternatives. They simply require additional time to consider all of their options.

#### **SUPPLIER'S CHARGE**

32. The Investors have filed claims in the CCAA proceeding. If no deal is concluded and the Miniso stores cease operating, there is no benefit to a Supplier's Charge to maintain inventory in respect of the closing stores. In addition, given the concern of the nature of the indebtedness, the granting of the Suppliers Charge could affect the relative position of the Investors in a CCAA proceeding, liquidation or otherwise.

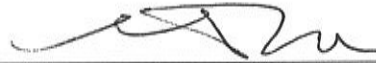
33. I swear this affidavit in support of the Investors' request for an adjournment of the motion returnable Monday, September 16, 2019, and for no other or improper purpose.

**SWORN BEFORE ME** at the City of  
Toronto, in the Province of Ontario, this  
16th day of September, 2019



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A Commissioner for taking Affidavits for  
Ontario

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**VANESSA DU**

### **Schedule "A"**

1. Promenade Mall
2. Oakville Place
3. Conestoga Mall
4. Centre Point Mall
5. CF Markville
6. Yonge/Sheppard Shopping Centre
7. Oshawa Centre
8. New Westminster Store
9. West 41<sup>st</sup> Street
10. Queen West
11. Cedarbrae Mall
12. Scarborough Town Centre
13. Bayshore

THIS IS **EXHIBIT "A"** REFERRED TO IN THE  
AFFIDAVIT OF VANESSA DU SWORN BEFORE ME,  
THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2019

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a series of loops and a final upward stroke.

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A COMMISSIONER FOR TAKING AFFIDAVITS



This **INVESTMENT AND COOPERATION AGREEMENT** (the "**Agreement**") is made and entered into 16 day of April, 2018 ("**Effective Date**") by and between:

- Miniso Canada Investments Inc. ("**Miniso Canada**"), a company incorporated under the laws of the Province of British Columbia, with its address at 13600 Maycrest Way, Richmond B.C. V6V 2W2
- 2623211 Ontario Inc. (hereinafter referred to as "**Investor**"), a company incorporated under the laws of the Province of Ontario with its registered office at 7030 Woodbine Ave, Suite 405, Markham, ON L3R 6G2 ("**Investor**").

(MINISO CANADA and the Investor shall be collectively referred to as the "**Parties**" and individually as a "**Party**").

WHEREAS, Miniso Canada holds a sub-master license ("**Sublicense**") for a trademark and/or trade name of Miniso (the "**Marks**") in Canada (the "**Territory**"), and has the right to operate a retail business in consumer products, including but not limited to household goods and accessories, in the Territory under the Marks (the "**Business**");

WHEREAS, Miniso Canada will operate and manage the Business through retail storefront (the "**Miniso Store**").

WHEREAS, the Investor wishes to invest in the Miniso Store in the Territory;

Oakville Place

---- Unit 205a 240 Leighland Ave, Oakville, ON L6H 3H6

NOW, THEREFORE, in consideration of the forgoing recitals and mutual terms and conditions contained herein, the Parties do hereby agree as follows:

### **Investment**

1. The Investor's investment in the Miniso Store shall be made in accordance with the terms specified below:

(a) **Investment Contribution.** Unless otherwise stipulated by the terms and conditions of this Agreement, any and all costs, fees, expenses and payments arising out of and in relation to the opening and operation of the Miniso Store, including but not limited to the costs, fees, expenses and payments set out under this Article 1 (the "**General Investment**"), shall be shared by Miniso Canada and the Investor based on the following percentages ("**Contribution Percentage**"):

- Miniso Canada: 51%
- Investor: 49%

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YL

**(b) License Fee.** Miniso Canada will grant the Miniso Store the right to use the Marks and all intellectual property rights associated with the Marks in the Territory. The Investor will pay Miniso Canada as its share of license fees, an amount equal to CAD 50,000 ("License Fee"). The Investors shall pay the License Fee to Miniso Canada on the earlier of: i) within 5 business days from the execution of this Agreement; or ii) Miniso Canada enters into a binding offer to lease regarding the Miniso Store. If the term of the Agreement is extended pursuant to Article 1(g) herein, the additional License Fee will be due and payable by the Investors to Miniso Canada within 5 business days from the date the Parties have agreed to extend the term of this Agreement in writing.

**(c) Guarantee.** The Miniso Store will be required to provide a one-time guarantee payment in the amount of CAD350,000.00 (the "Guarantee"). The Investors shall pay their share of the Guarantee based on their Contribution Percentage (being CAD171,500.00 for 49%) to Miniso Canada on the earlier of: i) within 5 business days from the execution of this Agreement; or ii) Miniso Canada enters into a binding offer to lease regarding the Miniso Store ("Guarantee Payment Deadline"). If the Investor's portion of the Guarantee is not paid to Miniso Canada by Guarantee Payment Deadline, such amount shall carry simple interest of 25% per annum, and the interest is payable each quarter following the Guarantee Payment Deadline (for example, if Guarantee Payment Deadline is February 12, 2018, then the first interest payment shall occur on May 12, 2018). Such interest payment shall be deducted from the Guarantee by Miniso Canada without further notice to the Investor. When the Guarantee is depleted, this Agreement shall terminate without prejudice to any claims Miniso Canada might have against the Investor.

Upon termination of the Agreement, and after deducting the Investors' share of expenses and/or losses in connection with the closing of the Miniso Store and/or any damages Miniso Canada may have against the Investors under this Agreement, the remaining amount of Investors' share of the Guarantee, if any, will be refunded to the Investors without interest.

**(d) Renovation.** Miniso Canada will coordinate, manage and supervise substantially all of tasks required for the opening of the Miniso Store, including the supply of relevant labour, materials, decorations, storage and display units, but excluding, for the avoidance of doubt, air conditioning facilities and fire extinguishment equipment. Renovation costs for each Miniso Store are estimated in advance at CAD130.00 per square foot for the area that are under 3,000 square foot, and \$110.00 for those areas that are over 3,000 square foot, except where work must be performed by unionized workers, then the entire area will cost \$130.00 per square foot, multiplied by the actual square footage of the store premises ("Estimated Renovation Costs") (for example, where there is no unionized workers involved, a 4,000 square foot Estimated Renovation Cost would be \$500,000 ( $\$130 * 3000$ ) + ( $\$110 * 1000$ )), whereas 4,000 square foot Estimated Renovation Cost would be

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520,000 (\$130 \* 4000) if unionized workers are involved), and each Party shall bear the proportional Renovation Costs based on its Contribution Percentage. The Investor shall pay its share of the Estimated Renovation Costs, being CAD63.70 per square foot (when Estimated Renovation Cost is based on \$130 per square foot), to Miniso Canada within five (5) business days from the date a lease is entered into with the landlord for the Miniso Store premises; and in any case no later than thirty (30) calendar days prior to the starting date of construction ("**Renovation Payment Deadline**"). If the actual costs of the renovation exceed the Estimate Renovation Costs, the Investor shall promptly, but in any event no later than 5 business days from its receipt of the statement, pay Miniso Canada an amount equal to its share of the deficiency prior to the Renovation Payment Deadline. If the Investor's portion of the Estimated Renovation Cost is not paid to Miniso Canada by Renovation Payment Deadline, such amount shall carry simple interest of 25% per annum, and the interest is payable each quarter following the Renovation Payment Deadline (for example, if Renovation Payment Deadline is February 12, 2018, then the first interest payment shall occur on May 12, 2018). Such interest payment shall be deducted from the Guarantee by Miniso Canada without further notice to the Investor. When the Guarantee is depleted, this Agreement shall terminate without prejudice to any claims Miniso Canada might have against the Investor.

(e) **Profits.** The Investor is entitled to receive 49% of the Net Profit (defined herein) of Miniso Store and Miniso Canada is entitled to receive the remaining amount. Net profit is determined by deducting from the gross profit which is between 38% or 40% (depending on the location of the store) of the sales of goods or 25% of sales of food and beverages and locally procured items. The gross profit is determined at 38% of the gross sales (excluding food and beverage sales as well as sales of locally procured items) if the Miniso Store is located in Eastern Canada and 40% of the gross sales if the Miniso Store is located in Western Canada. Net Profit is determined by deducting from the gross profit the Other Expenses and monthly rent. Other Expenses for the purpose of calculating gross profit means utilities fees, cost of payment system, labor costs, tax payables (Note: tax payable doesn't mean income tax payable, could be payroll tax and other unforeseeable surtax., etc), freight charges and incidentals incurred by the Miniso Store. Miniso Canada will endeavor to settle each Party's share of the Net Profit on a monthly basis but the actual payment will be made in accordance with Miniso Canada's accounting practice and policies. Miniso will endeavor to payout the Net Profit within 30 days following the end of each operating month.

(f) **Operating Entity.** The Investor agree that when deemed appropriate by Miniso Canada, the Parties will set up a limited partnership to operate the Miniso Store. The Parties will incorporate a limited liability company, owned 51%: 49% by Miniso Canada and the Investor, respectively, to act as the general partner of such limited partnership; and the limited partners of the limited partnership shall be Miniso Canada and the Investor, owning 51% and 49% of the limited partnership, respectively.

- (g) **Term.** This Agreement shall come into effect upon execution hereof and be valid for [5] years. The term of the Agreement may be extended prior to expiration pursuant to the Parties' mutual agreement in writing.

### **Miniso Store**

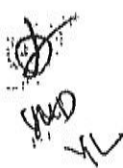
2. The costs and expenses relating to or in connection with the operation and management of the Miniso Store, unless otherwise stipulated by the terms of this Agreement or as agreed in writing by the Parties, will be shared between Miniso Canada and the Investor in accordance with their respective Contribution Percentage.
3. Unless otherwise agreed by Miniso Canada and the Investment, the Miniso Store will be managed and operated as follows:

(a) **Renovation and Opening.** In connection with the decoration and opening of the Miniso Store, Miniso Canada will:

- (i) provide one or more marketing associates to assess and evaluate the current market conditions;
- (ii) provide one or more designers to inspect and prepare design for the Miniso Store;
- (iii) provide design and drawings to ensure that the Miniso is consistent with the overall style and image of the Mark;
- (iv) establish the renovation schedule and milestones;
- (v) supply decoration and display materials;
- (vi) recruit construction/renovation team;
- (vii) furnish the counters, facilities, electric appliances and products;
- (viii) employ relevant personnel;
- (ix) provide display schematics for the products in the Miniso Store; and
- (x) schedule the opening of the Miniso Store.

(b) **Investor's Costs.** Notwithstanding any provision to the contrary, including, without limitation Article 2, the Investor is solely responsible for the following costs:

- (i) Reasonable travel and accommodation costs for marketing associates and designers; and
- (ii) Agent's commission, if any, relating to the commercial lease entered into between the Miniso Store and the landlord.

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- (c) **Operation.** Miniso Canada will be in charge of the operation and management of the Miniso Store and has the sole and complete discretion and authority to determine day-to-day operations of the Miniso Store without prior approval of or notice to the Investor. Specifically, Miniso Canada has the sole and complete discretion to determine the layout of the store, marketing, sales promotion and collection of payment from the customers; provided, however, that any and all costs, fees, charges and expenses incurred by Miniso Canada arising out of or in connection with its operation and management of the Miniso Store will be shared between the Parties in accordance with Article 1(a) of this Agreement.
- (d) **Products.** Except as otherwise agreed by Miniso Canada in writing, all products supplied and/or displayed for sale to customers at the Miniso Store (the "Products") will be supplied by and/or sourced from Miniso Canada or a supplier designated by Miniso Canada in writing. Miniso Canada has the sole and complete discretion to determine the packaging, labelling and display of the Product. Miniso Canada also has the sole and complete discretion determine the specific goods to be offered for sale and/or displayed at the Miniso Store and may terminate the sale and/or display of any Product at any time. Miniso Canada shall hold, until the point of sale, full ownership of the Products.
- (e) **Insurance.** The Miniso Store will procure and maintain sufficient insurance policy coverage as determined by Miniso Canada at its sole and complete discretion.
- (f) **Relocation.** If the Parties determinate that the Miniso Store needs to be relocated, the Parties will work in good faith to determine a new location for the Miniso Store. Subject to Miniso Canada's policies on relocation, which may be amended from time to time at its sole discretion, renovation costs required for the Miniso Store at the new location may be reduced.
- (g) **Investor's Right to Information.** Miniso Canada will, upon the Investor's written request and for once every twelve (12) months, provide relevant financial statement(s) and other operating materials relating to the Miniso Store for the Investor's inspection. In order to minimize unnecessary interference with the operation and management of the Miniso Store, the Investor hereby agrees to waive the right, if any, to access, view or inspect the books and records of the Miniso Store, including but not limited to its financial statements and operating accounts, other than the right provide in this subparagraph (g).
- (h) **Promotions.** Miniso Canada will, at its sole discretion, conduct promotional sales events from time to time for various reasons. The Investor hereby acknowledges and agrees that such promotional sales events are normal operations of the Miniso Store and agrees to be bound by any result therefrom.

### Employees

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4. The personnel for the Miniso Store ("Employees") will be employed and managed by Miniso Canada in accordance with its internal rules and regulations, as amended from time to time and based on the following guidelines:
- (a) **Terms of Employment.** The requirements, benefits, and other employment terms of the Employees will be determined by Miniso Canada at its own discretion, subject to applicable laws and regulations.
  - (b) **Termination.** Miniso Canada has the sole and complete discretion to suspend, cease or terminate the employment of any Employees in accordance with its internal rules and regulations.
  - (c) **Scheduling.** Miniso Canada has the sole and complete to establish the scheduling regarding the Employees, including numbers of Employees to be stationed in the Miniso Store.
  - (d) **Training.** Miniso Canada will provide training, as it deems appropriate, to the employees, including employees in management positions.
  - (e) **Costs.** All costs, fees, charges, expenses, expenditures and payments arising out of relating to the hiring, training and/or termination of Employees, including any payment obligations arising from the employment of the Employee or termination thereof, will be shared by Miniso Canada and the Investors in accordance with Article 1(a).

#### **Investor's Covenants**

5. The Investor hereby agrees and covenants as to the following:
- (a) **Authority.** Unless specifically required under this Agreement or as authorized by Miniso Canada in writing, the Investor has no authority to bind Miniso Canada or the Miniso Store to any contract, agreement or understanding. The Investor is not an agent of Miniso Canada and shall not purport, unless with prior written consent of Miniso Canada, to be an agent or representative of Miniso Canada or the Miniso Store.
  - (b) **No Contact.** Unless specifically required under this Agreement or as authorize by Miniso Canada in writing, the Investor shall not contact any third party, including but not limited to government officials, supplier, existing or prospective customers of the Miniso Store, for any matter relating to the operation and management of the Miniso Store.
  - (c) **Non-Compete.** During the term of this Agreement (including any renewal thereof) and for a period of [one (1)] year thereafter, the Investor shall not be

engaged or involved in, whether directly or indirectly, any business activity the Territory which is similar or competitive to the business of Miniso Canada.

- (d) **Non-Solicitation.** During the term of this Agreement (including any renewal thereof) and for a period of [one (1)] year thereafter, the Investor shall not employ or solicit any person that has or had an employment relationship with Miniso Canada and/or the Miniso Store without the prior written consent of Miniso Canada.
- (e) **Non-Disparagement.** The Investor agrees that it will not (nor will it cause or cooperate with others to) publicly criticize, ridicule, disparage, denigrate or defame Miniso Canada or the Miniso Store or their representatives, officers, employees, principals, services or products, with or through any written or oral statement or image.
- (f) **Assignment.** The Investor may not assign or transfer its rights or obligations under this Agreement to any third party without prior written consent of Miniso Canada. Miniso Canada may assign and transfer its rights and obligations under this Agreement at any time to its affiliate without the Investor's prior consent, however, Miniso Canada will inform the Investor of such assignment in a reasonable manner.
- (g) **Confidentiality, Non-Disclosure and Prohibition on Misappropriation.** The Investor shall keep confidential the terms of this Agreement, and any information that is confidential or proprietary in nature obtained from Miniso Canada or the Miniso Store during the term of this Agreement ("Confidential Information"), and may not disclose the Confidential Information to any third-party unless with Miniso Canada's prior written consent. The Investor further agrees to use the Confidential Information only for purposes of fulfilling its obligations under this Agreement and may not, directly or indirectly, re-brand, or include in another concept, product, store, store layout, or business know-how marketed by the Investor (or any of its affiliates) any then-current or prior identical concept, product, store, store layout, or business knowhow marketed, sold and operated by Miniso Canada, including but not limited to Confidential Information.
- (h) **Intellectual Property Rights.** The Investor agrees not to use the Marks except otherwise agreed by Miniso Canada in writing and shall not, and shall not cause any third party to, register the Marks as its own and/or as its corporate name, whether in part or in whole. The Investor further agrees not to register or use any mark that is identical or otherwise similar to the Marks without Miniso Canada's prior written consent. The Investor further agrees to relinquish any claim or entitlement to any intellectual property rights arising from or in connection with the Miniso Store (the "IP Rights") and shall inform Miniso Canada promptly if it becomes aware that any IP Rights with respect to the Marks are infringed or are alleged to be infringed by any third party. Any costs, expenses, fees and expenditure incurred defending such IP rights in the Territory shall be shared between the Parties in accordance with Article 1(a). The Investor shall not, and

shall not cause a third-party to, in the Territory or in other jurisdiction, make any patent, trademark, service mark, copyright or URL registration or application for registration, with respect to any IP rights owned or licensed by Miniso Canada, including without limitation, the Marks.

### **Termination**

6. This Agreement may be in accordance with the provisions set out in this Article;

**(a) Termination by Miniso Canada for Cause.** Miniso Canada may terminate this Agreement with immediate effect upon occurrence of any of the following events:

- i. any proceedings in insolvency, bankruptcy, receivership or liquidation has been taken against the Investor;
- ii. the Investor makes an assignment for the benefit of any creditors or commences any action of bankruptcy within the meaning of the Bankruptcy Act (Canada);
- iii. the Investor assigns or purports to assign this Agreement or any rights according hereunder without the prior consent in writing of Miniso Canada; or
- iv. if the Investor commits a breach or default under this Agreement, including but not limited to, failing to pay its share of the General Investment and/or committing breach of the covenants, and fails to cure the breach or default, if such breach or default is curable, within ten (10) days from the date of its receipt of the breach from Miniso Canada.

**(b) Termination by Mutual Consent.** This Agreement may be terminated by mutual consent, in writing, of Miniso Canada and the Investor.

**(c) Closing of Miniso Store.** Upon Termination of the Agreement, the Parties shall negotiate, in good faith, concerning the closing of the Miniso Store, including but not limited to return of inventory and equipment and termination of the lease. Miniso Canada shall have the sole and complete discretion as to the termination of Employees; provided, however, any costs relating to the closing of the Miniso Store shall be shared by the Parties in accordance with Article 1(a). All accounts shall be settled within three (3) months from the closing of the Miniso Store unless otherwise agreed by the Parties in writing. If the final statement includes a loss, Miniso Canada has the right to deduct, from the Guarantee, an amount equal to the Investor's share of the costs, expenses, and/or loss arising from or in connection with the closing of Miniso Store and the Investor shall pay Miniso Canada for the deficient amount, if any.

*MD 1/2*

### Governing Law and Jurisdiction

7. This Agreement shall be governed by and construed in accordance with the law in force in the Province of British Columbia and the federal law of Canada applicable therein and the Parties irrevocably and unconditionally attorn to the exclusive jurisdiction of the legal district of Vancouver in the Province of British Columbia.

### Notices

8. All notices required or permitted by this Agreement shall be in writing and delivered by hand or sent by messenger or by telecopier on a business to the Parties at the address written on the first page of this Agreement or at such other address, fax number or email address as a Party may from time to time advise the other Parties by notice in writing. The date of receipt of any such notice shall be deemed to be the date of delivery or the date sent by telecopy.

### Legal Advice

9. Each Party has had the opportunity to obtain independent legal advice with respect to this Agreement and each Party understands the nature and the scope of its obligations under this Agreement.

IN WITNESS WHEREOF the Parties have duly executed this Agreement on the date written on the first page of this Agreement.

**Miniso Canada Investments Inc.**

Per: 

Name:  
Title: Dan Lin  
Director

Date: Apr 16, 2018

**2623211 Ontario Inc.**

Per: 

Name: MTK Du  
Title: Director

Date: April 16, 2018

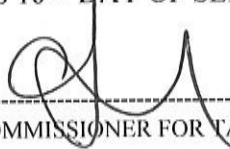


YUE LIANG  
Director

April 16, 2018



THIS IS **EXHIBIT "B"** REFERRED TO IN THE  
AFFIDAVIT OF VANESSA DU SWORN BEFORE ME,  
THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2019

A handwritten signature in black ink, consisting of a large, stylized 'A' followed by a series of loops and a final upward stroke.

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A COMMISSIONER FOR TAKING AFFIDAVITS



**Miniso Canada Investments Inc.,**  
on its own behalf and on behalf of each of the  
Debtors, by their court appointed Monitor,  
Alvarez & Marsal Canada Inc.

**Miniso Lifestyle Canada Inc.,**  
in its capacity as Manager and on behalf of the  
Miniso Group

August 9, 2019

**By Email**

2623211 Ontario Inc.  
Attn: Jackie Liang (jliang@canllp.ca)

Bridgehouse Law LLP  
9th Floor, 900 West Hastings St.  
Vancouver, BC V6C 1E5, Canada  
Attn: Richie Clark

Dear Sirs/Mesdames:

**Re: Supreme Court of British Columbia Action No. S197744, Vancouver Registry (the  
“CCAA Proceeding”)  
Proposal for 240 Leighland Ave, Oakville, ON L6H 3H6, Store Number 205A (the  
“Oakville Place Store”)**

Capitalized terms used but not defined in this letter shall have the respective meanings assigned to such terms in the Initial Order made July 12, 2019 in the CCAA Proceeding, a copy of which (along with other materials relevant to the CCAA Proceeding) can be found on the Monitor’s website at: [www.alvarezandmarsal.com/minisocanada](http://www.alvarezandmarsal.com/minisocanada).

This letter is being delivered jointly by Miniso Canada Investments Inc. (“**MCI**”), one of the Debtors in the CCAA Proceeding, and Miniso Lifestyle Canada Inc. (“**Lifestyle**”), which, among other things, is the Manager of the Debtors’ business pursuant to the Management Services Agreement. Lifestyle is also writing on behalf of certain affiliates (together with Lifestyle, the “**Miniso Group**”) who have the authority to authorize the use of the “Miniso” brand in Canada and to enter into related arrangements regarding the sale of Miniso brand products and the operation of Miniso brand stores.

We understand you have an interest in the Oakville Place Store and related assets pursuant to certain agreements you have entered into with one or more of the Debtors.

Having conducted a detailed review of all stores operated by the Debtors, the Miniso Group has determined it is prepared to acquire the Debtors’ interest in and operate the Oakville Place Store in accordance with the terms and conditions of the proposal described in this letter (the “**Proposal**”).

Conversely, if the Proposal is not acceptable to you, or is for any other reason not implemented, MCI intends to disclaim the lease with Riocan Holdings (Oakville Place) Inc. (the "**Lease**") for the Oakville Place Store and any interest you have in the Oakville Place Store in accordance with the provisions of the *Companies' Creditors Arrangement Act* and as contemplated by the Initial Order. Upon the disclaimer of the Lease, the Oakville Place Store will be closed as soon as practicable and, in any event, within 30 days of such disclaimer.

If you are interested in accepting the Proposal, we require your written confirmation of such interest by no later than 5:00 pm (Vancouver time) on August 21, 2019 (the "**Proposal Deadline**"). If you have not confirmed your interest by the Proposal Deadline, MCI intends to thereafter proceed with the disclaimer of the Lease.

If you are interested in maintaining an interest in the Oakville Place Store, you will be required to do so pursuant to one or more agreements with the applicable Debtors and the Miniso Group, which would include the following material terms:

1. All existing agreements between you and any of the Debtors would be terminated, including any agreements relating to the creation of a partnership, which would be wound up and dissolved with a distribution of an undivided interest in any assets to each of the partners in kind in proportion to their respective interests;
2. The Miniso Group would create a new company to carry on the business of the Oakville Place Store (the "**Oakville Place Store Company**"), which will have one voting share which will be owned by a member of the Miniso Group;
3. The applicable Debtor(s) would transfer all of their interest in the Oakville Place Store, including the Lease and any fixtures and existing inventory at the Oakville Place Store, to the Miniso Group, following which the Miniso Group and you would transfer their and your respective interests in the Oakville Place Store to the Oakville Place Store Company in exchange for shares of the Oakville Place Store Company;
4. The shares of the Oakville Place Store Company that would be issued to you would be non-voting shares that are entitled to receive dividends; subject to confirmation of your existing interest in the Oakville Place Store, you would be issued non-voting shares in the Oakville Place Store Company which reflect your current proportionate interest in the Oakville Place Store, and, apart from the shares issued to you and the applicable member of the Miniso Group, no other shares would be issued that are entitled to receive dividends;<sup>23</sup>
5. The applicable member(s) of the Miniso Group would enter into one or more agreements with you or the Oakville Place Store Company in relation to the Oakville Place Store and the Oakville Place Store Company, including a Transfer and Assignment Agreement, Shareholder Agreement, Franchise Agreement, Operating Agreement and Consignment Agreement relating to the supply of inventory, each in a form to be provided by the Miniso

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<sup>23</sup> Based on the Miniso Group's review of the Debtors' records, it appears that investors in the Debtors' stores (either alone, or along with other investors) have a 49% interest in such stores. However, depending on the nature (or amount) of each investor's existing interest in a particular store, the final proposal to a particular investor may include different terms, including as to their proportionate interest in the applicable Oakville Place Store.

Group, pursuant to which you would become a shareholder of the Oakville Place Store Company and the Oakville Place Store Company would become a licensed Miniso franchisee and retain the Manager to operate the Oakville Place Store;

6. You would also be required to fund your proportionate share of the deposit payable by the Oakville Place Store Company to the Miniso Group upon signing of the Consignment Agreement in the aggregate amount of \$200,000;<sup>24</sup> however, the Miniso Group would be prepared to defer payment and accept a demand Promissory Note for this amount from you, which would be offset over time against dividends payable from the Oakville Place Store Company, provided that you also agreed to enter into a Security Agreement in favour of the Miniso Group securing this indebtedness; and
7. If required by the landlord of the Oakville Place Store, you may be required to provide a guarantee of the lease for the Oakville Place Store.

This Proposal and your expression of interest, if applicable, are not legally binding. Notwithstanding the foregoing, you are responsible for obtaining independent legal advice and any financial (including tax) advice you may require in connection with this Proposal and its implementation. The material terms of the Proposal as described above are not necessarily exhaustive and the implementation of the Proposal would be subject to, among other things: (i) confirmation as to the nature of your interest in the Oakville Place Store; (ii) satisfaction of the Miniso Group's requirements for investors and franchisees; (iii) execution of definitive agreements, including those described above; and (iv) compliance with all applicable laws.

If you are interested in proceeding with the Proposal as described in this letter, please confirm your interest by signing where indicated below and returning a signed copy of this letter to **Anthony Tillman at atillman@alvarezandmarsal.com** no later than the Proposal Deadline.

Upon receipt of your expression of interest, the Miniso Group will forward a package of applicable documents for your review relating to the Proposal, and any decision whether to disclaim the Lease will be deferred to permit the parties sufficient time to execute definitive agreements in order to implement the Proposal. In that regard, note that MCI intends to disclaim the Lease if definitive agreements are not executed within a reasonable period of time, and in any event by no later than September 6, 2019.

In order to prevent the disclaimer of the Lease by MCI, we must receive your written confirmation of interest in proceeding with the Proposal by the Proposal Deadline.

If you have any questions relating to this Proposal, please feel free to contact either:

- For the Miniso Group, Andrew Xie, at 778-332-6899; or
- For the Monitor, Anthony Tillman, at 604-639-0849, or Pinky Law, at 604-638-7446.

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<sup>24</sup> For example, if you owned 49% of the shares in the Oakville Place Store Company, your share of the \$200,000 deposit would be \$98,000.

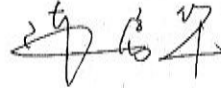
Yours truly,

**MINISO CANADA INVESTMENTS INC.,  
on its own behalf and on behalf of each of the  
Debtors, by their court appointed Monitor,  
Alvarez & Marsal Canada Inc.**



Anthony Tillman  
Senior Vice President

**MINISO LIFESTYLE CANADA INC.,  
in its capacity as Manager and on behalf  
of the Miniso Group**



Criss Chen  
Chief Financial Officer

By signing where indicated below, the undersigned hereby confirms its interest in proceeding with the Proposal as described above.

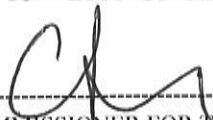
**2623211 Ontario Inc.**

Per: \_\_\_\_\_

Name:

Date: \_\_\_\_\_

THIS IS **EXHIBIT "C"** REFERRED TO IN THE  
AFFIDAVIT OF VANESSA DU SWORN BEFORE ME,  
THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2019

  
A COMMISSIONER FOR TAKING AFFIDAVITS



**Miniso Canada Investments Inc.,**  
on its own behalf and on behalf of each of the  
Debtors, by their court appointed Monitor,  
Alvarez & Marsal Canada Inc.

**Miniso Lifestyle Canada Inc.,**  
in its capacity as Manager and on behalf of the  
Miniso Group

August 16, 2019

**By Email**

2623211 Ontario Inc.  
Attn: Jackie Liang (jliang@canllp.ca)

Bridgehouse Law LLP  
9th Floor, 900 West Hastings St.  
Vancouver, BC V6C 1E5, Canada  
Attn: Ritchie Clark (relark@bridgehouselaw.ca)

Dear Sirs/Mesdames:

**Re: Supreme Court of British Columbia Action No. S197744, Vancouver Registry (the  
“CCAA Proceeding”)  
Proposal for 240 Leighland Ave, Oakville, ON L6H 3H6, Store Number 205A (the  
“Oakville Place Store”)**

We write further to our letter of August 9, 2019 (the “**Proposal Letter**”) and the Proposal, as defined and set out therein.

In response to questions from several persons who received our letter, we wish to clarify the terms of the Proposal with respect to the demand promissory note (the “**Promissory Note**”) and supporting security agreement (the “**Security Agreement**”) to be provided by you.

We have confirmed that the Miniso Group is prepared to make the demand Promissory Note a limited recourse obligation such that in the event the Promissory Note becomes payable, the Miniso Group’s recourse, and the collateral secured under the Security Agreement, would be limited to your interest in the Oakville Place Store Company, including your shares in the Oakville Place Store Company, your right to receive any payments from the Oakville Place Store Company, and any claims you may have against the Oakville Place Store Company.

For clarity, if you and the Miniso Group proceed with the Proposal, you will not be required to provide additional funds to the Miniso Group or the Oakville Place Store Company. The only consequence of failing to provide funds when required to do so (under the Promissory Note or the shareholder agreement) is that your interest in the Oakville Place Store Company may be diluted or eliminated.

As noted in our last letter, the funding to be provided by you by way of the Promissory Note will make up part of a \$200,000 deposit to be paid by the Oakville Place Store Company to the Miniso

Group pursuant to a Consignment Agreement relating to the supply of Miniso product for sale at the Oakville Place Store. The deposit will be refunded to the Oakville Place Store Company upon termination or expiry of the Consignment Agreement if the Oakville Place Store Company is in good standing under the agreement at that time. The refunded deposit will be available for distribution to the shareholders in accordance with the Shareholders Agreement for the Oakville Place Store Company and applicable laws.

As you may be aware, the Miniso Group is seeking to arrange a meeting with all persons who may have an interest in one or more of the Miniso brand stores in Canada pursuant to agreements with one or more of the Debtors which the Miniso Group wishes to continue operating. That meeting is scheduled for **10:00 a.m. on Wednesday, August 21, 2019** at the offices of Fasken Martineau DuMoulin LLP at 2900 - 550 Burrard Street, Vancouver, B.C. If you wish to attend the meeting, kindly RSVP to Pinky Law at pinky.law@alvarezandmarsal.com or 604-638-7446.

Lastly, in light of the date of the meeting, we are extending the Proposal Deadline (i.e. the date by which you must confirm in writing that you are interested in accepting the Proposal) to **5:00 p.m. on August 23, 2019**.

If you have any questions regarding the foregoing, please feel free to contact Andrew Xie, Anthony Tillman or Pinky Law at the numbers provided in our last letter.

Yours truly,

**MINISO CANADA INVESTMENTS INC.,  
on its own behalf and on behalf of each of the  
Debtors, by their court appointed Monitor,  
Alvarez & Marsal Canada Inc.**



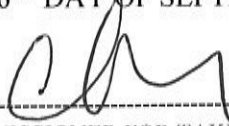
Anthony Tillman  
Senior Vice President

**MINISO LIFESTYLE CANADA INC.,  
in its capacity as Manager and on behalf  
of the Miniso Group**



Criss Chen  
Chief Financial Officer

THIS IS **EXHIBIT "D"** REFERRED TO IN THE  
AFFIDAVIT OF VANESSA DU SWORN BEFORE ME,  
THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2019

A handwritten signature in black ink, appearing to be 'CH', is written over a horizontal dashed line.

A COMMISSIONER FOR TAKING AFFIDAVITS

**DISCLOSURE DOCUMENT**  
**FOR FRANCHISES OF MINISO RETAIL STORES**  
**FOR THE PROVINCES OF ONTARIO, ALBERTA, PRINCE EDWARD ISLAND, NEW**  
**BRUNSWICK, MANITOBA AND BRITISH COLUMBIA**

(pursuant to the *Arthur Wishart Act* (Franchise Disclosure), R.S.O. 2000, (Ontario); the *Franchises Act*, R.S.A. 2000 (Alberta); the *Franchises Act*, R.S.P.E.I. (Prince Edward Island); the *Franchises Act*, S.N.B. 2007 (New Brunswick); the *Franchises Act*, CCSM c. F156 (Manitoba); and the *Franchises Act*, SBC 2015, c 35 (British Columbia))

This disclosure document, including all exhibits attached hereto, is the property of Miniso Franchise Canada Inc. and contains confidential information. This disclosure document is being provided for bona fide consideration of the purchase of a Miniso retail store franchise and for no other reason. Any other use, copying or disclosure is strictly prohibited.

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## **Exhibits**

**Exhibit A** Material Information relating to the Franchisee and the Franchise

**Exhibit B** Forms of Agreement to be entered into by the prospective franchisee

**Exhibit B-1** Franchise Agreement and exhibits thereto:

Exhibit A Selected Terms: Store Location and Opening Date

Exhibit B Owner's Guarantee and Assumption Agreement

Exhibit C Tripartite Agreement

**Exhibit B- 2** Operating Agreement

**Exhibit B-3** Consignment Agreement

**Exhibit B-4** Franchisee Promissory Note

**Exhibit C** Forms of Agreement to be entered into by the prospective investor:

**Exhibit C-1** Shareholder Agreement

**Exhibit C-2** Investor Promissory Note

**Exhibit C-3** Pledge Agreement

**Exhibit C-4** Partnership Resolution

**Exhibit C-5** Partnership Dissolution Agreement

**Exhibit C-6** Acknowledgement and Release

**Exhibit C-7** Transfer and Assignment Agreement

**Exhibit D** Lease

**Exhibit E** Opening Balance Sheet of the Franchisor as of May 29, 2019

**Exhibit F** Estimated Costs of Establishing a Franchise

**Exhibit G** Table of Contents of Manual

**Exhibit H** Locations of Miniso Stores Operating in Canada

**Exhibit I** Termination, Renewal and Transfer Provisions\

**Exhibit J** Guarantees Acknowledgment Certificate (Alberta)

### **Statements Required to be Provided to Prospective Franchisees by the Arthur Wishart Act (Franchise Disclosure), 2000**

A commercial credit report is a report which may include information on the Franchisor's business background, banking information, credit history and trade references. Such reports may be obtained from private credit reporting companies and may provide information useful in making an investment decision.

Independent legal and financial advice in relation to the franchise agreement should be sought prior to entering into the franchise agreement.

A prospective franchisee is strongly encouraged to contact any current or previous franchisee prior to entering into the franchise agreement.

The cost of goods and services acquired under the franchise agreement may not correspond to the lowest cost of the goods and services available in the marketplace.

### **Statements Required to be Provided to Prospective Franchisees by the Franchises Act of PEI, the Franchises Act of New Brunswick, the Franchises Act of Manitoba and the Franchise Act of British Columbia**

A prospective franchisee should seek information on the Franchisor and on the Franchisor's business background, banking affairs, credit history and trade references.

A prospective franchisee should seek expert independent legal and financial advice in relation to franchising and the franchise agreement prior to entering into the franchise agreement.

A prospective franchisee should contact current and previous franchisees prior to entering into the franchise agreement.

Lists of current and previous franchisees and their contact information can be found in this disclosure document.

### **Description of the Franchise**

This disclosure document relates to franchises for the operation of retail stores that sell a variety of items in product categories that include gifts, art objects, fashion accessories, home decor, health & beauty products, small sports equipment, seasonal products, handbags, small electric appliances and food and beverages, under the name "MINISO" (a "**Miniso Store**" and collectively "**Miniso Stores**"). Miniso Stores are franchised in Canada by Miniso Franchise Canada Inc. (referred to in this Disclosure Document as or "**we**" or the "**Franchisor**").

The "Franchisee" is the entity that buys the franchise from the Franchisor. "**You**" means an investor in the Franchisee. If the investor is a corporation, limited liability partnership, partnership or other entity, then "you" may also mean the shareholders, members, partners or other owners of that entity. This franchise disclosure document is being provided to you on your own behalf and also on behalf of the Franchisee to be incorporated.

In the operation of the Miniso Store, the Franchisee will provide services and products operating under the Miniso trademark and associated logos and symbols (the “**trade marks**”) and using the Miniso system (the “**System**”). The franchise which we grant you permits the franchisee to operate a single Miniso Store.

The location of the Miniso Store to be operated by the Franchisee is set out in Exhibit A to this disclosure document. There is an existing store operating under the Miniso name at that location, of which you have an existing interest, on the basis described in Exhibit A. The grant of the franchise described in this disclosure document is dependent upon the completion of the CCAA transaction that is also described in detail in Exhibit A (the “**CCAA Transaction**”).

The franchise to operate the Miniso Store will be granted under a franchise agreement between the Franchisor and the Franchisee in the form attached to this disclosure document as Exhibit B-1 (the “**Franchise Agreement**”).

The Franchisor will manage certain elements of the operation of the Miniso Store under an Operating Agreement between the Franchisor and the Franchisee in the form attached to this disclosure document as Exhibit B-2 (the “**Operating Agreement**”).

The products to be sold in the Miniso Store will be supplied by an affiliate of the Franchisor, Miniso Trading Canada Inc., on a consignment basis under a Consignment Agreement between Miniso Trading Canada Inc. and the Franchisee in the form attached to this disclosure document as Exhibit B-3 (the “**Consignment Agreement**”).

The Franchisee will be a new company, incorporated by us. It will be established pursuant to the Business Corporations Act (British Columbia), with two classes of authorized share capital as follows: Class A Voting Common shares (which are entitled to vote but not receive dividends or other distributions), and Class B Non-voting Common shares (which are not entitled to vote but are entitled to receive dividends and other distributions). The Franchisor will initially be the sole shareholder of the Franchisee, holding 1 Class A Voting Common share. Upon completion of the CCAA Transaction, the shareholders of the Franchisee and their respective shareholdings will be as set out in Exhibit A.

The initial director of the Franchisee will be Tao (“Louie”) Lu. The initial officer of the Franchisee will be Andrew Xie, President, CEO and General Manager. Biographical information about both of these individuals is provided in Item 1 below.

The Franchisee will be governed by a Shareholders Agreement in the form attached to this disclosure document as Exhibit C-1 (the “**Shareholders Agreement**”).

Each of the Franchisor and you, as Class B shareholders of the Franchisee, will be required to fund their proportionate share of a \$200,000 deposit payable by the Franchisee to Miniso Trading Canada Inc. pursuant to the Consignment Agreement (the “**Deposit**”). The Franchisor will lend you your share of this amount pursuant to one or more limited recourse demand Promissory Notes in the form attached to this disclosure document as Exhibit C-2 (the “**Investor Promissory Note**”) in an amount set out in Exhibit A. The Investor Promissory Note is secured by your interest in the Franchisee, including your shares in the capital of the Franchisee and your entitlement to any payments, dividends or other distributions from the Franchisee pursuant to a

Pledge Agreement in the form attached to this disclosure document as Exhibit C-3 (the “**Pledge Agreement**”). Other documents that you will be required to enter into in relation to your investment are set out and described in Exhibit A.

In consideration for the Franchisor’s agreement to assume or pay the Deposit on behalf of the Franchisee, the Franchisee will be indebted to the Franchisor in the amount of the Deposit, which indebtedness will also be evidenced by a demand promissory note in the form to this disclosure document as Exhibit B-4 (the “**Franchisee Promissory Note**”)

The lease for the premises of the Miniso Store (the “**Lease**”) will be assigned to the Franchisee pursuant to or in connection with the proposed transaction in the CCAA proceedings described in Exhibit A. A copy of the Lease that we have been provided by the existing operator of the Miniso Store is attached to this disclosure document as Exhibit D. In the event that an assignment agreement is required to be executed by the Franchisee, it will be provided to the Franchisee. In the event that the Lease is amended prior to its assignment, the amended Lease will be provided to the Franchisee.

If required by the landlord of the Miniso Store premises, you, which in this case may mean the investor, its affiliate or principals, may be required to provide a guarantee of the Lease. The Franchisor may also be required to guarantee the Lease.

## **The Market**

The market for retail stores selling products similar to those offered by Miniso Stores is competitive, in particular with regard to pricing, service, location and quality, and is susceptible to changes in consumer taste and economic conditions. The Franchisee will compete with various businesses, in particular with locally-owned businesses that offer similar goods and services, as well as with regional and national chains.

The Franchisee will operate the Miniso Store at the location identified in Exhibit A. The Franchisee will not be granted any exclusive territory.

**You should carefully review the entire contents of this disclosure document, the Franchise Agreement and other related agreements with your legal, financial and other professional advisors prior to entering into this transaction.**

### **1. Business Background of the Franchisor**

The Franchisor is a British Columbia corporation that was incorporated May 29, 2019. It began offering franchises in June 2019. The Franchisor does business under the name Miniso and no other name. The principal address of the Franchisor is 2245-130 King St W, Toronto, ON M5X 1K6. The Franchisor does not conduct any business other than as described in this disclosure document, and does not offer franchises in any line of business other than for Miniso Stores. The Franchisor plans to develop an on-line business in Canada. The Franchisor started offering franchises on June 1, 2019, but to date has sold no franchises and has no franchises in operation. The Franchisor does not currently operate any Miniso Stores but may do so in the future.

The Franchisor is a subsidiary of MIHK Management Inc., which is a holding company of the Franchisor and the Franchisor’s affiliates. It is a British Columbia corporation that was

incorporated October 17, 2018. Its principal office and registered office are the same as the Franchisor's. It does not engage in any other line of business.

The sole shareholder of MIHK Management Inc. is Miniso Hong Kong Limited. It was incorporated in Hong Kong on January 23, 2018. It procures products for sale in Miniso Stores. It franchises and licences the operation of Miniso Stores internationally. It does not operate any Miniso Stores itself. Miniso Hong Kong Limited and its predecessors have franchised and licenced the operation of Miniso Stores in more than 80 countries, including the United States, Russia, Singapore, the United Arab Emirates, Korea, Malaysia, Hong Kong (China) and Macau (China).

Miniso Trading Canada Inc. is an affiliate of the Franchisor which was incorporated in British Columbia on December 7, 2018. Its principal office and registered office are the same as the Franchisor's. It procures products and supplies them to the Franchisee under the Consignment Agreement attached to this disclosure document as Exhibit B-3. It does not engage in any other line of business.

Miniso Lifestyle Canada Inc. is an affiliate of the Franchisor which was incorporated in British Columbia on December 7, 2018. Its principal office and registered office are the same as the Franchisor's. It provides services to the Franchisor which are in turn provided by the Franchisor to the Franchisee under the Operating Agreement attached to this disclosure document as Exhibit B-2.

The Franchisor maintains the following addresses for service in the following provinces:

In Ontario:

Fasken Martineau DuMoulin LLP  
333 Bay Street, Suite 2400, Toronto, Ontario M5H 2T6

In Alberta:

Fasken Martineau DuMoulin LLP  
First Canadian Centre  
350 7th Avenue SW, Suite 3400, Calgary, Alberta T2P 3N9

In British Columbia:

Fasken Martineau DuMoulin LLP  
550 Burrard Street, Suite 2900, Vancouver, British Columbia V6C 0A3

### **Background of the Miniso Brand**

The Miniso brand was co-founded by Japanese designer Mr. Miyake Junya and Chinese entrepreneur Mr. Ye Guofu in Tokyo, Japan. The philosophy of the brand is "simplicity, nature and good quality". The Miniso brand focuses on life supplies with aesthetic beauty and targets an age demographic of 18 to 35 year olds. Miniso sources products from countries around the world, including Japan, Korea, Sweden, Denmark, Singapore, Malaysia and China. The brand's



core values are excellent product design and value with a focus on a comfortable shopping experience. Miniso entered the Chinese and other international markets 2013. It has opened over 3500 stores in five years.

### **Business Background of the Directors and Officers of the Franchisor**

The following are the sole directors and officers of the Franchisor:

#### *Tao ("Louie") Lu - Director*

Tao Lu is the sole director of the Franchisor and has been a director since it was incorporated in May 2019. He is located in Guangzhou, China. Mr. Lu joined the Miniso group of companies in March 2018 as Overseas Financial Manager of Miniso (Hengqin) Business Management Co., Ltd. Before joining Miniso, Mr. Lu was the Overseas Financial Manager of Zhuoyi International Trade Co., Ltd. of Guangzhou, China from Dec. 2016 to Feb. 2018, administrating that company's financial operations in Nigeria. He was the Finance Supervisor of Sichuan Communication Construction Engineering Co., Ltd. of Chengdu, China from Jun. 2013 to Nov. 2016, administrating that company's financial operation in Zimbabwe. Mr. Lu has been engaged in the line of business associated with the franchise since March 2018, when he joined the Miniso group of companies.

#### *Andrew Xie - Officer*

Andrew Xie is the only officer of the Franchisor and has been an officer of the Franchisor since it was incorporated in May 2019. He operates under the title of General Manager. He is located in Toronto. Mr. Xie joined Miniso (Hengqin) Business Management Co., Ltd. in June 2017 and served as Country General Manager of Bangladesh from October 2017 to March 2018, Country Manager of Russia from March 2018 to October 2018, and Country General Manager of Canada from October 2018 to December 2018. From December 2018 to the present he has been General Manager of Canada for Miniso Lifestyle Canada Inc.

Before joining the Miniso group of companies, Mr. Xie was the Executive Director of Maysun Enterprise Ltd. in Moscow, Russia from July 2013 to May 2017. In that position, he oversaw the development, manufacturing and distribution of LED lighting equipment. Mr. Xie has been engaged in the line of business associated with the franchise since June 2017, when he joined the Miniso group of companies.

## **2. Previous Convictions and Pending Charges**

Neither the Franchisor, nor any of the Franchisor's associates, nor any of the directors or officers of the Franchisor have, during the previous ten years, been convicted of fraud, embezzlement, unfair or deceptive business practices (or a comparable offence), an indictable offence or equivalent involving franchising or businesses or a violation of a law that regulates franchises or business and no such charge is pending against any of them.



### **3. Administrative Orders and Pending Actions**

Neither the Franchisor, nor any of the Franchisor's associates have, nor any of the directors or officers of the Franchisor have been subject to an administrative order (including an injunctive or restrictive order), injunction, or penalty imposed under a law of any jurisdiction regulating franchises or business and no such administrative action to be heard under such a law is pending against any of them.

### **4. Civil Actions and Pending Actions**

Neither the Franchisor, nor any of the Franchisor's associates, nor any of the directors or officers of the Franchisor have been found liable in a civil action of misrepresentation, unfair or deceptive business practices or comparable actions or violating a law that regulates franchises or businesses, including a failure to provide proper disclosure to a franchisee, and no such actions are pending against any of them.

### **5. Bankruptcy**

There has not been any bankruptcy or insolvency proceeding, voluntary or otherwise, any part of which took place in the previous six years against any of the following persons as debtors:

- (a) the Franchisor or the Franchisor's associate(s),
- (b) a corporation whose directors or officers include or included a current director or officer of the Franchisor at a time when the bankruptcy or insolvency was taking place,
- (c) a partnership whose general partners include or included a current director or officer of the Franchisor at a time when the bankruptcy or insolvency was taking place, or
- (d) a director or officer of the Franchisor in his/her personal capacity.

For clarity, neither the Franchisor nor any of its affiliates (or Franchisor's Associate) is related to the parties that are the subject of the CCAA proceedings described in Exhibit A to this disclosure document. Affiliates of the Franchisor are the petitioners in those proceedings.

### **6. Financial Statements of the Franchisor**

The Opening Balance Sheet of the Franchisor as at May 29, 2019 is attached this disclosure document as Exhibit E.

### **7. Franchise Fees and Franchisee's Costs Associated with Establishment of Franchise**

The estimated costs associated with the establishment of a Miniso Store are set out in Exhibit F to this disclosure document. **As you are an investor in an existing Miniso Store, constructed prior to the date on which the Franchise Agreement will be entered and the Miniso Store will be operated by Miniso pursuant to the Operating Agreement, the costs associated with the establishment of a franchise do not apply and are for your information only.**

Additionally, given that as of the date that the Franchise Agreement will be entered, Franchisee will be holding an inventory of Miniso Products, Franchisee is not required to purchase an initial inventory. New franchisees are required to, at their expense, carry out a grand opening promotion. This requirement has been waived for the Franchisee in respect of this particular Miniso Store.

Miniso's affiliate Miniso Trading Canada Inc. will provide Miniso Products on a consignment basis for sale at the Store, pursuant to the terms of the Consignment Agreement, attached to this disclosure document as Exhibit B-3. Upon entering the Consignment Agreement, the Franchisee will be required to pay a Deposit in the amount of \$200,000 to Miniso. The Deposit is refundable without interest one month following the termination or expiry of the Consignment Agreement if the Franchisee complies with all of the terms, covenants and conditions of the Consignment Agreement. All other fees and payments made to the Franchisor pursuant to the Franchise Agreement, Operating Agreement and Consignment Agreement are non-refundable unless otherwise specified. Unless otherwise specified, all invoices are payable within 15 days of receipt. Payments that the Franchisee makes to other persons or entities may be refundable depending on Franchisee's agreement with those parties.

In all cases, the Franchisee must pay the federal, provincial and municipal sales, goods and services, value added or similar taxes assessed against or payable to Franchisor with respect to any payments to the Franchisor.

As described above under the heading Description of the Franchise, the Lease will be assigned to the Franchisee. The Franchisee will be responsible for all costs relating to the Lease and the premises, including rent, utilities, taxes and any other costs imposed by the landlord or any other person or entity.

### ***Gross Sales and Consigned Products***

The Franchisee is required to comply with reporting obligations required by the Franchisor, including but not limited to a weekly report, submitted on or before each Monday (or the next business day if Monday is not a business day) itemizing the Gross Sales of the Miniso Store for the immediately preceding week. "**Gross Sales**" means the total selling price of all services and products and all income of every other kind and nature related to the Miniso Store, including, without limitation, the amount of all sales transactions, delivery receipts, service income and any other receipts that the Franchisor designates from time to time, whether for cash or credit and regardless of collection in the case of credit, but expressly excluding Goods and Services Tax, Harmonized Sales Tax, provincial sales tax, Quebec Sales Tax or other taxes measured on the basis of the Gross Sales of the Miniso Store imposed by governmental authorities directly on sales or use and collected from customers, provided that such taxes are added to and shown separately from the selling price of the Franchisee's goods and services and are in fact paid by Franchisee to the appropriate governmental authorities. There is no royalty fee on Gross Sales.

Additionally, within five days following the end of each calendar month, the Franchisee must report the number of consigned products held and a record of sales in such month. The Franchisor will invoice Franchisee for the consigned products sold in the preceding month, the retail value of such products, less the compensation payable to Franchisee in relation to such sales under the Consignment Agreement. The Franchisor may also invoice the Franchisee for all

delivered, uninvoiced consigned products and in respect of damaged or missing consigned products. If at any time, the Franchisee fails to pay any sum when due or otherwise fails to keep or perform any of the terms, covenants and conditions of the Consignment Agreement, the Franchisor may appropriate and apply the Deposit to compensate the Franchisor for loss or damage sustained or suffered by the Franchisor due to such breach.

There is no set advertising or marketing fee or spend, but the Franchisee is required to participate in all promotional programs designed by the Franchisor, at Franchisee's cost.

### *Accounts*

All funds from the operation of the Store shall be received for the account of the Franchisee and deposited into an operating account at a bank designated by the Franchisor (the "**Operating Account**"). All monies from the sale of consigned products will be held by the Franchisee in trust for the Franchisor and kept separate and apart from money of the Franchisee. To the extent funds necessary for the operation of the Miniso Store and are not generated by its operation, the Franchisee will be required to make a deposit into the Operating Account. The Franchisor will also, pursuant to the Operating Agreement, establish on the Miniso Store's books of account, a reserve account deemed reasonable by the Franchisor to be applied to replacement of and additions to the leasehold improvements, fixtures and equipment of the Miniso Store (the "**Reserve Account**").

### *Operating Fees*

The Franchisor will operate the Miniso Store on the Franchisee's behalf pursuant to the Operating Agreement, attached as Exhibit B-2 to this disclosure document. The Franchisor will do so as the agent of the Franchisee and solely for the Franchisee's account and at the Franchisee's expense. As partial consideration for the operating services, the Franchisor shall be entitled to receive and retain (for itself or on behalf of its affiliates) a recurring fixed monthly rate of \$2,000 (the "**Fixed Fee**") payable on the first day of each month of the term of the Operating Agreement. The Franchisor shall also be entitled to receive and retain (for itself or on behalf of its affiliate) an amount equal to the amount by which two (2%) percent of Gross Sales calculated monthly exceeds the Fixed Fee (the "**Variable Fee**") payable 10 days following the end of each calendar month of the term of the Operating Agreement.

The Franchisee will be responsible for costs incurred by the Franchisor and its affiliates under the Operating Agreement plus ten (10%) percent in relation to payment processing, dispute management, maintenance, repairs, alterations and renovations, advertising and promotions and other expenses. Such costs may be received and retained from the Store's Operating Account. Expenses under the Operating Agreement may include, for example: remuneration and benefits, payable to the General Manager; the cost of the taking of any action at law or equity which the Franchisor deems reasonably necessary in connection with the operation of the Miniso Store, provided that the Franchisor will furnish to the Franchisee a report of actions involving sums in excess of \$5,000 or which would materially adversely affect the Miniso Store; engagement of service providers; and all actions reasonably necessary with operating the Miniso Store or to comply with applicable laws. The Franchisor will have no obligation to incur any expenses, whether budgeted or not, to the extent that Operating Account funds and the working capital provided by the Franchisee are not adequate for such expenditures. The Franchisor has the right

to set-off any liabilities of the Franchisee or any of its affiliates against payments to be made to the Franchisee under the Operating Agreement and against all funds in the Operating Account and Reserve Account.

### ***Interest***

Interest on all overdue amounts under the Franchise Agreement, the Consignment Agreement and the Operating Agreement is 18% per annum, compounded monthly, calculated monthly in arrears from the date such payment was payable until repayment, before and after default and judgment. Interest under the Consignment Agreement is payable monthly.

### ***Summary of Costs and Fees***

The following table summarizes costs and fees, including some described further above in this Item 7, that the Franchisee will or may incur in connection with the ongoing operation of the Miniso Store and pursuant to the Franchise Agreement, Operating Agreement and Consignment Agreement.

<b>Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Description and Remarks</b>
Maintenance, repairs and renovation	At cost	Ongoing and as the Franchisor may reasonably direct	<p>The Franchisee will be responsible for the costs of maintaining the Miniso Store in a first class condition and a high degree of cleanliness and repair, and shall make additions, upgrades, alterations, repairs and replacements as may be required (this may include such periodic repainting or replacement of signs, furnishings, fixtures, décor, and equipment (including, but not limited to, point of sale or computer systems) as the Franchisor may reasonably direct).</p> <p>The Franchisee also shall obtain, at the Franchisee's cost and expense, any new or additional equipment, fixtures, supplies and other products and materials which the Franchisor may reasonably require.</p>
Upgrades of the Miniso Store	At cost	As requested by the Franchisor	The Franchisee will make such improvements to conform to the Franchisor's then-current standards and specifications. This could include repainting or replacing fixtures, lighting, equipment, point of sales systems and computer software and hardware. It could also include a

<b>Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Description and Remarks</b>
			complete renovation of the Miniso Store.
Ongoing operational requirements	At cost	As reasonably directed by the Franchisor from time to time	The Franchisee will purchase or lease, as applicable, and install all fixtures, furnishings, equipment (including point of sale and computer systems), decor items, signs, and related items.
Point of sale and computer system	At cost	As required by applicable specifications and the Franchisor	The Franchisee will use the point of sale and computer system that the Franchisor specifies, which specifications may be modified by the Franchisor. The Franchisor may require the Franchisee to obtain specific computer software or hardware and incur the costs to purchase, lease and/or license new or modified computer hardware or software and to obtain service and support for the point of sale and computer system. Such costs cannot be estimated and may not be fully amortizable over the Franchise Agreement.
Website development	At cost	As required by the Franchisor	The Franchisor may require the Franchisee to prepare all or a portion of any page for the Miniso Store on the Franchisor's website, at the Franchisee's cost.
Attendance at Franchisee meetings	At cost	When meetings are scheduled	The Franchisee will be responsible for all costs and expenses incurred by the Franchisee and its representatives to attend mandatory meetings, including travel, lodging and meal costs.
Taxes and other obligations	As applicable	When due	Franchisee is responsible for paying all taxes levied or assessed and all accounts and other indebtedness of every kind incurred in the conduct of the Miniso Store.
System modifications	At cost	As determined by the Franchisor from time to time	The Franchisor has the right to amend or modify the System, standards and components thereof. The Franchisee



<b>Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Description and Remarks</b>
			must comply and make all necessary expenditures as required to implement such modifications.
Promotional programs	At cost	When programs are implemented	The Franchisee is required to participate in, and comply with the requirements of, all promotions, including, without limitation, all discounts, vouchers and the purchase of customer gifts, and any gift card, gift certificate, electronic gift cards, merchandise credit cards, customer loyalty or retention programs that the Franchisor implements. The Franchisee will also participate in all sales and advertising promotion programs as required by the Franchisor.
Insurance	At cost	Throughout the term of the Franchise Agreement	The Franchisee is required to procure and maintain minimum insurance policies as required by the Franchise Agreement and the Consignment Agreement.
Indemnification	As applicable	When a claim is made	The Franchisee agrees to indemnify the Franchisor, the Franchisor's affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees and to reimburse any such parties for, any and all claims, and liabilities directly or indirectly arising out the development, construction/ conversion, and operation of the Miniso Store or the Franchisee's breach of the Franchise Agreement, Consignment Agreement (or fraud negligence or willful default in connection therewith by Franchisee, its directors, officers employees, agents, contractors or other persons for whom it is responsible at law) or Operating Agreement, and trademark, trade name, or copyright infringement, subject to the terms and exclusions in the Franchise

Fee	Amount	Due Date	Description and Remarks
			Agreement, Consignment Agreement and Operating Agreement. No indemnified party will be required to seek recovery from any insurer or other third party, or otherwise to mitigate losses and expenses.
Working Capital	As required	Throughout the term of the Franchise Agreement	The Franchisee is required to maintain at all times during the Franchise Agreement sufficient working capital to fulfil its obligations under the Franchise Agreement.
Interest	On overdue amounts	18% per annum, compounded monthly and calculated monthly in arrears from the date such payment was payable until repayment, before and after default and judgment.	If the Franchisee fails to pay any amounts payable pursuant to the Franchise Agreement when required.
Remittance amounts	Based on sales of consigned products	As invoiced	The Franchisor will invoice the Franchisee in respect of consigned products sold in a preceding month based on the retail value less the compensation payable to Franchisee pursuant to the Consignment Agreement.
Purchase Deposit	\$200,000	Upon entering the Consignment Agreement	To be held without interest by the Franchisor as a deposit for the Franchisee's covenants under the Consignment Agreement.
Fixed Fee	\$2,000/month	The first day of each month during the Operating Agreement	Consideration for the services provided to Franchisee under the Operating Agreement.
Variable Fee	Amount equal to amount by which 2% of Gross Sales exceeds the Fixed Fee	10 days following the end of each calendar month during the Operating Agreement	Consideration for the services provided to Franchisee under the Operating Agreement.



<b>Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Description and Remarks</b>
Markup on costs under the Operating Agreement	10%	When amounts are paid under the Operating Agreement, within 15 days of an invoice	
Renewal Franchise Fee	To be agreed	On renewal of franchise	The amount of the fee is to be agreed upon by the Franchisee and the Franchisor as a condition of the renewal of the franchise agreement.

All fees set out herein are provided in Canadian dollars.

## **8. Working Capital**

A franchisee will require additional funds to finance its business operations and the carrying on thereof, and, where the franchisee is an individual, additional funds will be required to meet his/her everyday living expenses, until a positive cash flow (assuming such is the case) may be produced by the franchisee. The necessary amount of working capital may vary considerably with each franchisee.

## **9. Operating Costs and Earnings Projections**

The Franchisor is not providing any estimates of annual operating costs or earning projections in respect of this franchise. You should consult your own professional advisors and conduct your own investigations and analyses with respect to the proposed franchise.

## **10. Financing**

The Franchisor is providing the following financing.

As set out above under the heading Description of the Franchise and in Item 7, the Franchisee is required to pay the Deposit of \$200,000 to Miniso Trading Canada Inc. pursuant to the Consignment Agreement. The Franchisor will assume the obligation to pay the Deposit on behalf of the Franchisee which will result in a loan from the Franchisor to the Franchisee in the amount of the Deposit. The Franchisee is required to execute Franchisee Promissory Note (attached to this disclosure document as Exhibit B-4), which is a demand promissory note, to evidence this indebtedness. The amount of the principal is payable at any time on demand by the Franchisor. No interest is payable in respect of the loan.

Each of the Franchisor and you are required to fund your proportionate share of the Deposit payable by the Franchisee to Miniso Trading Canada Inc. This amount may be advanced by way of a loan to the Franchisee. Instead of requiring you to fund your proportionate share, the Franchisor will loan the full amount of the Deposit to the Franchisee as described above and you will be indebted to the Franchisor for your proportionate share (the amount of which is set out in Exhibit A) pursuant to one or more limited recourse demand Promissory Notes in the form of the Investor Promissory Note, which is attached to this disclosure document as Exhibit C-2. The amount of the principal is payable at any time on demand by the Franchisor. No interest is

payable in respect of the loan. Recourse under the Investor Promissory Note is limited to and secured by your interest in the Franchisee, including your shares in the capital of the Franchisee and your entitlement to any payments, dividends or other distributions from the Franchisee pursuant to the Pledge Agreement, the form of which is attached to this disclosure document as Exhibit C-3.

We do not guarantee any note, lease or obligation.

## **11. Franchisor's Assistance and Training**

As this franchise relates to a Miniso Store that will be operated by the Franchisor on the Franchisee's behalf pursuant to an Operating Agreement to be entered into by the Franchisee and the Franchisor, and as you have been involved as an investor in a Miniso Store, neither you nor representatives of the Franchisee will be required to undertake any initial training. At the Franchisor's discretion, the manager of the Miniso Store may be required to participate in weekly conference calls together with managers of other Miniso Stores in Canada. There is no charge for participation in the weekly conference calls. The weekly conference calls may cover the following topics:

Talent Program Introduction

Store Image/First Impressions

Daily Standard Operating Procedure

Management Standard Operating Procedures

Merchandising

Sales

Store Maintenance

Personnel

## **12. Manual**

Following execution of the Franchise Agreement, we will loan you and the Franchisee a copy of our Manual, which may be added to, deleted or otherwise amended by us from time to time at our discretion. The Manual remains our property. Franchisees must comply with all provisions of the Manual. The table of content of Manual is attached as Exhibit G to this disclosure document.

## **13. Advertising and Marketing**

The Franchisor will be conducting marketing activities, but it does not collect a marketing or advertising fee from the Franchisee and the Franchisor is not required to spend any particular amount on advertising in the area of the Miniso Store area or anywhere else. There is no advertising council and the Franchisor does not currently require the Franchisee to participate in

any local or regional advertising cooperatives. The Franchisor does not maintain any advertising fund.

The Franchisee is required to participate in, and comply with the requirements of, all promotions, including all discounts, vouchers and the purchase of customer gifts, and any gift card, gift certificate, electronic gift cards, merchandise credit cards, customer loyalty or retention programs, that the Franchisor implements for all or part of the Miniso System and must sign such forms, obtain and provide such consents and take the other actions as the Franchisor requires in order to participate in such promotions and programs. The Franchisee is required to issue and redeem such cards and devices pursuant to the rules that Miniso puts in place.

All advertising and promotion by the Franchisee in any medium must be conducted in a dignified manner and must conform to the Franchisor's Standards and specifications. The Franchisee must obtain the Franchisor's approval of all advertising and promotional plans and materials prior to use in each and every instance. The Franchisee must submit plans and materials to the Franchisor as outlined in the Manual. The Franchisee may not use any (i) unapproved plans or materials until they have been expressly approved by the Franchisor or (ii) previously approved advertising or promotional plans or materials with expired images, and must promptly discontinue use of any advertising or promotional plans or materials, whether or not previously approved, upon notice from the Franchisor.

The Franchisee cannot develop, create, generate, own, or otherwise use any computer and/or electronic media (including but not limited to the Internet, bulletin boards, social networking sites (e.g., Facebook), and news groups) in connection with the Miniso Store without the Franchisor's approval. The form, content and appearance of any Internet website or social networking site the Franchisee uses must comply with the Standards and must be approved by the Franchisor in writing before being used.

The Franchisor may establish an Internet website that provides information about the System and the products and services offered by Miniso Stores. The Franchisor will have sole discretion and control over any such website, including its creation, design, contents and discontinuation. The Franchisor may include on any such website, interior pages containing information about Miniso Stores and may require the Franchisee to prepare all or a portion of any page for the Franchisee's Miniso Store, at the Franchisee's expense, using any template that the Franchisor may provide, with all such information subject to the Franchisor's approval prior to posting.

#### **14. Restrictions on Sources of Products and Services and on What Franchisees May Sell**

The Franchisee may sell to the public only those products and services, and must sell all of those products and deliver all of the services, as are designated by the Franchisor from time to time for sale in the Miniso Store. The Franchisee must discontinue the sale of any inventory items, products or services and any method, manner or style of display which the Franchisor does not approve or of which it withdraws its approval. All products sold by the Franchisee must be of uniformly high quality and in such quantity as expressly specified and approved by the Franchisor and displayed and in accordance with the Franchisor's methods and techniques.

The Franchisee is obligated by the terms of the Franchise Agreement to purchase and/or lease all inventory products, fixtures, furnishings, equipment, computer hardware and software (and any

licences in connection therewith) decor items, signs, goods, services and supplies relating to the establishment and/or operation of the Miniso Store in accordance with the specifications issued by the Franchisor, from the Franchisor, and/or from suppliers approved or designated by the Franchisor. While these purchases and leases would constitute most, if not all of the purchases and leases required to establish and operate the Miniso Store, the foregoing list is not exhaustive. Pursuant to the Franchise Agreement, the Franchisor may amend such obligations from time to time as determined by the Franchisor in its sole discretion. In accordance with the Franchise Agreement, a Franchisee may only vary from the standards with the express written approval of the Franchisor.

The franchise granted pursuant to the Franchise Agreement relates solely to the location identified in Exhibit A to this disclosure document and no rights to use the Miniso System are granted beyond such location. The Franchisee is not restricted to whom it may sell products and services, but may do so only from the location of the Miniso Store. The Franchisee is not granted any right to offer or sell any products or services through any other channel or method of distribution (including through use of the Internet).

The Franchisee is required to obtain and maintain insurance policies acceptable to the Franchisor as outlined in the Franchise Agreement with coverages and policy limits set out in the Franchise Agreement and as otherwise specified by the Franchisor.

#### **15. Rebates and Other Benefits to the Franchisor**

The Franchisor and its affiliates derive a profit from the sale of products and services to the Franchisee. The Franchisor and its affiliates reserve the right to receive commissions, payments, rebates, discounts or similar benefits from suppliers as a result of those suppliers supplying goods and services to the Franchisee, and to not share such amounts with the Franchisee, although the Franchisor is not currently receiving any such benefits.

#### **16. Trade Marks, Trade Names and Intellectual Property**

The Franchisor's indirect parent, Miniso Hong Kong Limited, holds the following trade mark registrations and trade marks applications in Canada which it licenses to the Franchisor for use in franchising and operating Miniso Stores.

Trade Mark Registration TMA 1008242, MINISO 4 Chinese characters and Design, registered November 6, 2018



Trade Mark Registration TMA1008276, MINISO design, registered November 6, 2018

# MINISO

The Franchisor is not aware of any impediments to the use of the trade marks.

Under the Franchise Agreement the Franchisor grants the Franchisee the right to use the trade marks during the term of the Franchise Agreement, in accordance with the terms of the Franchise Agreement and the Franchisor's Standards and specifications.

Neither you nor the Franchisee can take any action that would prejudice or interfere with the rights of the Franchisor or its affiliates in and to the trade marks or contest, or assist others to contest, the validity, or the interest, of the Franchisor or its affiliates in the trade marks. The Franchisee is not given any right, title, or interest in or to any of the trade marks except the right to use the trade marks in accordance with the terms and conditions of the Franchise Agreement. Any and all goodwill arising from the Franchisee's use of the trade marks inures solely and exclusively to the benefit of the Franchisor or its affiliates.

The Franchisor has the right to substitute different trade names, trademarks, logos and commercial symbols for the current trade marks to use in identifying the System and the Miniso Stores operating under the System if the current trade marks no longer can be used, or if the Franchisor, in its sole discretion, determines that substitution of different marks will be beneficial to the System. In such event, the Franchisor may require the Franchisee, at the Franchisee's expense, to discontinue or modify the Franchisee's use of any of the trade marks or to use one or more additional or substitute marks.

The Franchisee must notify the Franchisor immediately of any apparent infringement of or challenge to the Franchisee's use of any trade marks and of any claim by any person of any rights in any trade marks. The Franchisor has complete discretion to take any action it deems appropriate in connection with any infringement of, or challenge or claim to, any trade marks and the right to control exclusively, or to delegate control of, any settlement, litigation, Canadian Intellectual Property Office proceeding or other proceeding arising out of any such alleged infringement, challenge or claim or otherwise relating to any trade marks. The Franchisee agrees to execute all such instruments and documents, render such assistance, and do such acts or things as may, in the opinion of the Franchisor, reasonably be necessary or advisable to protect and maintain the interests of the Franchisor or any affiliate in the trade marks.



## **17. Licenses, Registrations, Authorizations and Permits Required to Operate the Franchise**

The licenses, registrations, authorizations or other permissions that the Franchisee must obtain under applicable federal or provincial law or municipal by-law to operate a Miniso Store include, but are not limited to, the following: business license, business name registration, federal business number (includes registration for G.S.T. and H.S.T. in provinces where applicable), provincial vendor permit (P.S.T. number in applicable provinces), provincial employee health tax (EHT) account, Canada Revenue Agency employer number and Workplace Safety and Insurance Board registration ((Ontario), and equivalent in other provinces).

The additional licenses, registrations, authorizations or other permissions that a franchisee must obtain under applicable federal or provincial law or municipal by-law to operate a Miniso Store may include a hydro account/hook up and water account/hook up.

The Franchisee may also be required to obtain the following: building permit which includes health approval, zoning approval, fire prevention plan examination, plumbing plan examination, HVAC plan examination and building engineer plan examination. The Franchisee may require a sign permit.

The Franchisee may be required under other federal or provincial laws or under the by-laws of a municipal or other local authority to obtain licences, registrations, authorizations or other permissions to operate the Miniso Store and the Franchisee should make inquiries to determine whether such licences, registrations, authorizations or other permissions are required. You should check with a lawyer to learn about specific laws applicable to the business.

## **18. Obligations to Participate in Operation of Franchise and Franchisor's Policy Concerning Guarantees and Security Interests**

### ***Participation in the Miniso Store Operation***

There is no requirement that you participate personally in the operation of the Miniso Store. The Franchisee cannot operate any other business than the Miniso Store.

### ***Guarantee***

You, as a direct or indirect owner of the Franchisee, must sign a guaranty of the Franchisee's obligations under the Franchise Agreement and any other agreement between the Franchisor or its affiliates and the Franchisee. The Owner's Guaranty and Assumption Agreement is attached as Exhibit B to the Franchise Agreement. You also personally bind yourself to the obligations of the Owner under the Franchise Agreement under the Owner's Guaranty and Assumption Agreement.

Further, you may be required to guarantee to the landlord of the premises of the Miniso Store the obligations of the Franchisee under the Lease.

### ***Security Interest***

As described in Item 10, as security for the performance of your obligations under the Investor Promissory Note, you grant to the Franchisor security over your interest in the Franchisee, including your shares in the capital of the Franchisee and your entitlement to any payments, dividends or other distributions from the Franchisee, pursuant to the Pledge Agreement, the form of which is attached to this disclosure document as Exhibit C-3.

### **19. Exclusive Territory and the Franchisor's Policy Regarding Proximity**

The Franchisee is not granted any exclusive or protected territory within which the Miniso Store will operate. The Franchisee cannot relocate the Miniso Store without the Franchisee's consent. The Franchise Agreement does not grant any options, rights of first refusal or similar rights to the Franchisee for the acquisition of additional Miniso Stores.

There are no restrictions or policies on the Franchisor's or its affiliates', right to determine the proximity between your Miniso Store and:

- (a) any other franchisee of the Franchisor or of any affiliate, whether of the same type or a different type of franchise;
- (b) any distributor or licensee using any of the Franchisor's or its affiliates trade marks, trade names, logo's or advertising or other commercial symbol,
- (c) any business operated by the Franchisor, any franchisor's associate, or any affiliates of the Franchisor that distributes similar goods or services to those distributed by the Franchisee under a different trade mark, trade name, logo or advertising or other commercial symbol, or
- (d) any franchise of the Franchisor, any franchisor's associate or any affiliate of the Franchisor that distributes similar goods or services to those distributed by the Franchisee under a different trade mark, trade name, logo or advertising or other commercial symbol.

The Franchisor also retains the right to distribute any goods or services (including goods and services of the type being offered by the Miniso Store) through any channel or method of distribution, including over the Internet, and the Franchisor has not adopted any policy which would limit these rights.

### **20. The Franchisor's Policy Regarding Distance Sales**

Except for sales at the location of the Miniso Store, the Franchisor reserves other channels of distribution (such as Internet sales, catalog sales, telemarketing and direct marketing) for products and services under the trade mark and under other trade marks for itself and its affiliates, including sales to customers in proximity to the Miniso Store. The Franchisee will not receive any revenue or other compensation from sales through such electronic commerce or other channels.

Any online presence by the Franchisee is subject to approval by the Franchisor.



## **21. Miniso Stores Operating in Canada**

As of the date of this disclosure document, the Franchisor has not franchised any locations.

There are approximately 68 retail stores currently operating under the Miniso brand in Canada. A list of the location of those stores is included in Exhibit H. Those locations are operated pursuant to rights granted to Miniso Canada Investments Inc. to develop and operate Miniso branded stores in Canada, but those rights have been terminated. Some of those locations also involve third party investors. The contact information for Miniso Canada Investments Inc. is the following: c/o Alvarez & Marsal Canada Inc., the court-appointed monitor of Miniso Canada Investments Inc. and certain affiliates, 400 Burrard Street, Suite 1680 Commerce Place, Vancouver, BC V6C 3A6, Attention: Anthony Tillman at [atillman@alvarezandmarsal.com](mailto:atillman@alvarezandmarsal.com) or 604-639-0849. Miniso Canada Investments Inc. is one of the companies subject to the CCAA proceedings detailed in Exhibit A, and is not related to the Franchisor or its affiliates.

## **22. Franchise Closures**

There have been no closures of franchises of the Franchisor in Canada. Further, it is our understanding that no Miniso branded stores operating in Canada on the basis described in Item 21 above have closed in the past three (3) years, although a number are in the process of being closed pursuant to the CCAA proceedings detailed in Exhibit A.

## **23. Termination, Renewal and Transfer of the Franchise**

Attached as Exhibit I is a table listing certain important provisions of the Franchise Agreement. You should read the specific provisions in the agreements attached to this disclosure document.

## **24. Unilateral Right to Amend the Franchise Agreement**

The Franchisor has no right to unilaterally amend the terms or conditions of the Franchise Agreement as set out therein.

## **25. Covenant not to Compete**

During the term of the Franchise Agreement, you and the Franchisee cannot own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to a Miniso Store (including any retail facility which primarily offers and sells items that are the same or similar to any of the Miniso Products) and which is located within Canada, the United States, or any other country, province, state or geographic area in which Miniso has used, sought registration of or registered the trade marks or similar marks or operates or licenses others to operate a business under the trade marks or similar marks.

For a two-year period after you cease to be an Owner, and with respect to the Franchisee, for a two-year period after it ceases to have an interest in the Franchise Agreement, neither you nor the Franchisee can own, maintain, operate, engage in, or have any financial or beneficial interest in, advise, assist or make loans to, any business that is the same as or similar to a Miniso Store (including, without limitation, any retail facility which primarily offers items that are the same or

similar to any of the Miniso Products) and which is, or is intended to be, located (i) at the location of the Miniso Store or within two (2) kilometers thereof or (ii) within a two (2) kilometer radius of the location of any Miniso Store then in existence or under construction in Canada.

## **26. Alternative Dispute Resolution**

There are no requirements in the Franchise Agreement that the parties resolve disputes through alternative dispute resolution.

Mediation is a voluntary process to resolve disputes with the assistance of an independent third party. Any party may propose mediation or other dispute resolution process in regard to a dispute under the franchise agreement, and the process may be used to resolve the dispute if agreed to by all parties.

## **27. Notice of Rescission, Effect of Cancellation and Right of Action for Damages**

### **For franchises located in Alberta only:**

If this franchise relates to a location in the Province of Alberta, be advised that

Sections 13 and 14 of the *Franchises Act* (Alberta) state:

13 If a franchisor fails to give a prospective franchisee the disclosure document by the time referred to in section 4, the prospective franchisee may rescind all franchise agreements by giving a notice of cancellation to the Franchisor or its associate, as the case may be,

(a) no later than 60 days after receiving the disclosure document, or

(b) no later than 2 years after the franchisee is granted the franchise, whichever occurs first.

14 (1) A notice of cancellation given under section 13 operates

(a) to cancel the franchise agreements, or

(b) in the case of an agreement that is an offer to purchase, to withdraw the offer to purchase.

(2) The franchisor or its associate, as the case may be, must, within 30 days of receiving a notice of cancellation under section 13, compensate the franchisee for any net losses that the franchisee has incurred in acquiring, setting up and operating the Licensed Business.

To assist a prospective franchisee as to the time for delivery of a disclosure document, section 4 requires that a disclosure document be delivered at least 14 days before the signing by the prospective franchisee of any agreement relating to the franchise or the payment of any

consideration by the prospective franchisee relating to the franchise which is not fully refundable.

To assist a prospective franchisee as to the meaning of “associate” referred to in sections 13 and 14, a person is an “associate” of a franchisor if the person is directly involved in the granting of the franchise or if there are continuing financial obligations by the franchisee to that person and significant operational controls by that person on the franchisee and:

- (a) the person controls the Franchisor;
- (b) the person is controlled by the Franchisor; or
- (c) the person and the Franchisor are under the common control of another person.

Section 9 of the *Franchises Act* (Alberta) states:

- 9 (1) If a franchisee suffers a loss because of a misrepresentation contained in a disclosure document, the franchisee has a right of action for damages against any or all of the following:
  - (a) the Franchisor;
  - (b) every person who signed the disclosure document.
- (2) If a disclosure document contains a misrepresentation, a franchisee who purchases a franchise to which the disclosure document relates is deemed to have relied on the misrepresentation.

**For franchises located in Ontario, PEI, New Brunswick, Manitoba and British Columbia:**

If this franchise relates to a location in the Provinces of Ontario, Prince Edward Island, New Brunswick, Manitoba or British Columbia, be advised that Sections 6 and 7 of the *Arthur Wishart Act (Franchise Disclosure)*, 2000 (S.O. 2000 Chapter 3), the *Franchises Act* of Prince Edward Island (Chapter F-14.1), the *Franchises Act* of New Brunswick (New Brunswick Regulation 2010-92), the *Franchises Act*, CCSM c. F156 of Manitoba and the *Franchises Act*, SBC 2015, c 35 of British Columbia provide additional provisions that the franchisee should be aware of.

**Certificate**  
(Ontario Franchisees Only)

The undersigned hereby certifies that the disclosure document:

- a) contains no untrue information, representations or statements; and
- b) includes every material fact, financial statement, statement and other information required by the *Arthur Wishart Act (Franchise Disclosure)*, 2000 and the Regulation issued under that Act.

DATED on August 22, 2019.

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## **EXHIBIT A**

### **Material Information Relating to the Franchisee and the Franchise**

**Exhibit A****Shareholding of Franchisee**

Upon completion of the CCAA Transaction described below and subject to verification of the information set out below respecting the Partnership, the shareholders of the Franchisee and their respective shareholdings will be as follows:

<u>Shareholder</u>	<u>Number and Class of Shares</u>
Franchisor	1 Class A Voting Common share
	51 Class B Non-voting Common shares
2623211 Ontario Inc.	49 Class B Non-voting Common shares

**Miniso Store Location**

The Miniso Store that is the subject of this disclosure document is located at Unit 205A 240 Leighland Avenue, Oakville, Ontario.

**Investor Promissory Note**

The amount of the Investor Promissory Note referred to in the disclosure document under the heading Description of the Franchise, is \$98,000.00.

**CCAA Transaction and Background**

We understand you (as an investor) have an existing interest in the partnership (the “**Partnership**”) that was established to operate the existing Miniso Store pursuant to the Investment and Cooperation Agreement April 16, 2018 between 2623211 Ontario Inc. and Miniso Canada Investments Inc. (“**MCI**”) (the “**Partnership Agreement**”). For clarity, neither the Franchisor nor any of its affiliates is related to MCI, despite MCI’s use of the name “Miniso”. The authority of MCI to operate Miniso Stores in Canada is terminated.

We understand your interest in the Partnership pursuant to the Partnership Agreement is a 49% ownership interest. MCI’s interest in the Partnership pursuant to the Partnership Agreement is a 51% ownership interest.

The existing Miniso Store was initially operated by MCI. MCI and certain of its affiliates are subject to proceedings commenced by affiliates of the Franchisor pursuant to the *Companies’ Creditors Arrangement Act* (Canada) in Supreme Court of British Columbia Action No. S197744, Vancouver Registry initiated July 12, 2019 (the “**CCAA Proceedings**”), pursuant to which Alvaraz & Marsal Canada Inc. was appointed as the monitor of MCI and certain related companies referred to as the “Debtors” in the CCAA Proceedings.

Subject to creditor and court approval of a proposed restructuring transaction in the CCAA Proceedings and to verification of the information set out below respecting the Partnership, it is proposed that the Franchisee will acquire your and MCI’s and its affiliates’ respective interests in

the existing Miniso Store, including their legal and beneficial interest in the Lease, as applicable, pursuant to the following transaction (the “**CCAA Transaction**”):

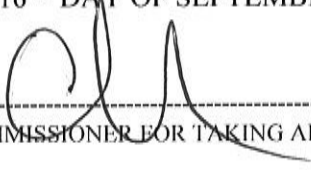
1. The Partnership will be dissolved and its assets (the “**Store Assets**”) will be distributed in kind in undivided interests to the partners of the Partnership in proportion to their respective ownership interests in the Partnership pursuant to a Partnership Resolution (attached to this disclosure document as Exhibit C-4) and a Partnership Dissolution Agreement (attached to this disclosure document as Exhibit C-5);
2. The Partnership Agreement will be terminated pursuant to the above and the partners will release any claims they have against each other and the Franchisor and its affiliates in connection with the Partnership, the Partnership Agreement and the Store pursuant to an Acknowledgement and Release (attached to this disclosure document as Exhibit C-6);
3. You will sell, assign, transfer and convey your interest in the Store Assets to the Franchisee in exchange for 49 Class B Non-Voting Common shares in the capital of the Franchisee pursuant to a Transfer and Assignment Agreement (attached to this disclosure document as Exhibit C-7);
4. MCI and its affiliates will sell, assign, transfer and convey its interest in the Store Assets, and assign the Lease, to the Franchisee pursuant to an acquisition agreement to be entered into between MCI and affiliates, on the one hand, and the Franchisor and its affiliates, on the other hand, pursuant to the CCAA Transaction in the CCAA Proceedings;
5. In consideration for causing the interest of MCI and its affiliates in the Store Assets to be conveyed, and the Lease to be assigned, to the Franchisee, the Franchisor will be issued 51 Class B Non-Voting Common shares in the capital of the Franchisee; and
6. The applicable parties will enter into the Shareholders Agreement, Franchise Agreement, Consignment Agreement, Operating Agreement, Investor Promissory Note, Franchisee Promissory Note and Pledge Agreement.

If the CCAA Transaction is approved by the court in the CCAA Proceedings and any conditions precedent thereto are fulfilled or waived, it is expected that the CCAA Transaction will be completed by no later than the end of November, 2019. Upon completion of the CCAA Transaction, the Franchisee will own 100% of the Store Assets and will have acquired the Lease for the Miniso Store.

You (including, if applicable, your affiliate(s) or principal(s)), and the Franchisee will be expected to sign their respective signature pages for all of the above documents and agreements to which it will be a party, as applicable, to be held in trust pending approval of the CCAA Transaction in the CCAA Proceedings for release and delivery concurrently with the completion of the CCAA Transaction. If the CCAA Transaction does not complete for any reason, you (including your affiliate(s) or principal(s)), and the Franchisee’s counterparts to such documents and agreements will be destroyed and the Franchisee will not be granted a license to operate the Miniso Store.



THIS IS **EXHIBIT "E"** REFERRED TO IN THE  
AFFIDAVIT OF VANESSA DU SWORN BEFORE ME,  
THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2019



-----  
A COMMISSIONER FOR TAKING AFFIDAVITS

**Miniso Canada Investments Inc.,**  
on its own behalf and on behalf of each of the  
Debtors, by their court appointed Monitor,  
Alvarez & Marsal Canada Inc.

**Miniso Lifestyle Canada Inc.,**  
in its capacity as Manager and on behalf of the  
Miniso Group

August 23, 2019

**By Email - [jliang@canllp.ca](mailto:jliang@canllp.ca), [relark@bridgehouselaw.ca](mailto:relark@bridgehouselaw.ca)**

2623211 Ontario Inc.

Bridgehouse Law LLP  
9th Floor, 900 West Hastings St.  
Vancouver, BC V6C 1E5, Canada  
Attention: Ritchie Clark

Dear Sirs/Mesdames:

**Re: Supreme Court of British Columbia Action No. S197744, Vancouver Registry (the  
“CCAA Proceeding”)  
Alternative Proposal for 240 Leighland Ave, Oakville, ON L6H 3H6, Store Number  
205A (the “Oakville Place Store”)**

We are writing further to our letters of August 9, 2019 and August 16, 2019 (collectively, the  
“**Proposal Letter**”) and the Proposal, as defined and set out therein.

Thank you for confirming your interest in accepting or continuing to evaluate the Proposal.

Enclosed please find the disclosure document relating to the franchise opportunity for the Oakville  
Place Store, including the forms of agreements that you would be required to enter into in  
connection with the completion of the proposed transaction (the “**Transaction**”) initially described  
in the Proposal Letter and set out in more detail in the enclosed disclosure document. The  
Transaction remains subject to approval in the CCAA Proceeding and satisfaction or waiver of  
any conditions precedent thereto.

If, after reviewing the enclosed disclosure document, you are still interested in accepting the  
Proposal and proceeding with the Transaction, please confirm your interest by signing where  
indicated below and returning a signed copy of this letter to Anthony Tillman at  
[atillman@alvarezandmarsal.com](mailto:atillman@alvarezandmarsal.com) as soon as possible, and in any event no later than September  
9, 2019 (the “**Execution Date**”).

Please also sign, date and return the receipt contained in the enclosed disclosure document for each  
proposed investor to Fasken Martineau DuMoulin LLP (“**Fasken**”) to the attention of: Amy  
Carruthers at [acarruthers@fasken.com](mailto:acarruthers@fasken.com), Fasken Martineau DuMoulin LLP, 2900 – 550 Burrard  
Street, Vancouver, BC V6C 0A3.

Upon receipt of your confirmation of continued interest, the Miniso Group will forward the package of applicable definitive agreements to you for signature on and not before the Execution Date. If you determine to proceed with the Transaction, the signed definitive agreements must be delivered to Amy Carruthers at Fasken as indicated above on the Execution Date.

As set out in the Proposal Letter, MCI intends to disclaim the Lease if definitive agreements are not executed by you and received by Fasken on the Execution Date. In order to prevent the disclaimer of the Lease by MCI, we must receive your executed agreements on the Execution Date.

Notwithstanding receipt of your executed agreements on the Execution Date, none of the counterparties thereto have any obligation to sign the definitive agreements or to complete the Transaction. Your signed counterparts to the definitive agreements will be held in trust by Fasken pending approval of the Transaction in the CCAA Proceeding, for release and delivery concurrently with the completion of the Transaction. If the Transaction does not complete for any reason, your (and any other party's) signed counterparts to such documents and agreements will be destroyed.

If the Transaction is approved by the court in the CCAA Proceeding and any conditions precedent thereto are fulfilled or waived, it is expected that the Transaction will be completed by no later than the end of November, 2019.

If you have any questions relating to the Proposal, the Transaction or the enclosed disclosure document, please feel free to contact either:

- For the Miniso Group, Andrew Xie, at 778-322-6899; or
- For the Monitor, Anthony Tillman, at 604-639-0849, or Pinky Law, at 604-638-7446.

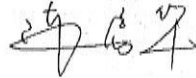
Yours truly,

**MINISO CANADA INVESTMENTS INC.,**  
**on its own behalf and on behalf of each of the**  
**Debtors, by their court appointed Monitor,**  
**Alvarez & Marsal Canada Inc.**



Anthony Tillman  
Senior Vice President

**MINISO LIFESTYLE CANADA INC.,**  
**in its capacity as Manager and on behalf**  
**of the Miniso Group**



Criss Chen  
Chief Financial Officer

By signing where indicated below, the undersigned hereby confirms its interest in proceeding with the Transaction as described above, that it wishes to receive a package of definitive agreements for signature that, if executed and returned to Fasken, will be held in trust pending approval of the Transaction in the CCAA Proceeding and completion thereof as described in this letter, and acknowledges that the completion of the Transaction is subject to approval in the CCAA Proceeding and to satisfaction or waiver of any conditions precedent thereto.

2623211 Ontario Inc.

Per: \_\_\_\_\_

Name:


Date: \_\_\_\_\_

## RECEIPT

### ACKNOWLEDGEMENT

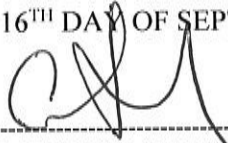
I have received from Miniso Franchise Canada Inc. a copy of its Franchise Disclosure Document dated August 22, 2019 which included the following Exhibits:

<b>Exhibit A</b>	Material Information relating to the Franchisee and the Franchise
<b>Exhibit B</b>	Forms of Agreement to be entered into by the prospective franchisee
	<b>Exhibit B-1</b> Franchise Agreement and exhibits thereto:
	Exhibit A Selected Terms: Store Location and Opening Date
	Exhibit B Owner's Guarantee and Assumption Agreement
	Exhibit C Tripartite Agreement
	<b>Exhibit B-2</b> Operating Agreement
	<b>Exhibit B-3</b> Consignment Agreement
	<b>Exhibit B-4</b> Franchisee Promissory Note
<b>Exhibit C</b>	Forms of Agreement to be entered into by the prospective investor:
	<b>Exhibit C-1</b> Shareholder Agreement
	<b>Exhibit C-2</b> Investor Promissory Note
	<b>Exhibit C-3</b> Pledge Agreement
	<b>Exhibit C-4</b> Partnership Resolution
	<b>Exhibit C-5</b> Partnership Dissolution Agreement
	<b>Exhibit C-6</b> Acknowledgement and Release
	<b>Exhibit C-7</b> Transfer and Assignment Agreement
<b>Exhibit D</b>	Lease
<b>Exhibit E</b>	Opening Balance Sheet of the Franchisor as of May 29, 2019
<b>Exhibit F</b>	Estimated Costs of Establishing a Franchise
<b>Exhibit G</b>	Table of Contents of Manual
<b>Exhibit H</b>	Locations of Miniso Stores Operating in Canada
<b>Exhibit I</b>	Termination, Renewal and Transfer Provisions\
<b>Exhibit J</b>	Guarantees Acknowledgment Certificate (Alberta)

Signed by  on his/its own behalf and on behalf of the franchisee to be incorporated

\_\_\_\_\_  
Date

THIS IS **EXHIBIT "F"** REFERRED TO IN THE  
AFFIDAVIT OF VANESSA DU SWORN BEFORE ME,  
THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2019



-----  
A COMMISSIONER FOR TAKING AFFIDAVITS



September 6, 2019

**SENT BY ELECTRONIC MAIL**

**Fasken Martineau DuMoulin LLP**

2900-550 Burrard Street  
Vancouver, British Columbia  
V6C 1A3

Attention: Kibben Jackson/ Glen Nesbitt

**Alvarez & Marsal Canada Inc.**

Commerce Place, Suite 1680  
400 Burrard Street  
Vancouver, British Columbia  
V6C 3A6

Attention: Todd Martin/Anthony Tillman

**McMillan LLP**

Royal Centre, Suite 1500  
1055 W. Georgia Street  
Vancouver, British Columbia  
V6E 4N7

Attention: Vicki Tickle/Daniel Shouldice

**Dentons Canada LLP**

250 Howe St. 20<sup>th</sup> Floor  
Vancouver, British Columbia  
V6C 3R8

Attention: Jordan Schultz/John Sandrelli

Dear Sirs and Madames,

**RE: COMPANIES' CREDITORS ARRANGEMENT ACT ("CCAA") PROCEEDINGS OF  
MINISO CANADA INVESTMENTS INC. ET AL**

We are counsel to a group of investors, including, *inter alia*, the stakeholders in the Miniso brand stores listed in schedule "A" hereto (the "**JV Group**") with respect to the CCAA proceedings of Miniso Canada Investments Inc. and its affiliates (collectively, the "**Debtors**") listed on the Order of the Supreme Court of British Columbia made July 12, 2019 (the "**Initial Order**").

We are in receipt of the letter dated August 9, 2019 delivered jointly by Miniso Canada Investments Inc. ("**MCI**") and Miniso Lifestyle Canada Inc., on behalf of itself and certain of its affiliates (the "**Miniso Group**"), pursuant to which the Miniso Group has determined that it is prepared to acquire the Debtors' interest in certain stores, which stores the JV Group also have an interest in (the "**August Letter**").

The August Letter, signed by Alvarez & Marsal Canada Inc., the monitor appointed in the CCAA proceedings (the "**Monitor**"), outlines a relatively brief proposal put forward to the JV Group with respect to the treatment of their interest in the continuing stores (the "**Proposal**") and required written confirmation of the acceptance by the JV Group of such Proposal by 5:00pm on August 21, 2019.

The August 21, 2019 deadline was never met. Instead, the Monitor scheduled an “information meeting” during which the Miniso Group presented the Proposal. Numerous issues were raised at this meeting for which little satisfactory information was provided.

A subsequent, revised offer was delivered on August 23, 2019 that included certain terms that differed significantly from the brief Proposal delivered on August 21, 2019. Pursuant to this revised offer letter, a deadline (the “**Execution Deadline**”) was imposed requiring the JV Group to sign definitive documentation by September 9, 2019. Template agreements were provided that were not specific to any particular store or stakeholder.

On September 6, 2019, the Monitor delivered an email again setting out terms that had been significantly revised, including a grant of security interest by the JV Group in favour of Miniso Group, and insisting that the September 9, 2019 Execution Deadline be met.

Since August 9, 2019, various parties, including the JV Group, have expressed concerns with respect to the terms of the Proposal, which on its face, appear to be highly prejudicial to the JV Group given, *inter alia*,

- a) the complexity of the existing relationship between the JV Group and the Debtors given the Debtors’ incomplete store opening documentation;
- b) the allegations of fraud, misrepresentation and negligence as against the Debtors, Miniso Group, their affiliates, and directors and officers;
- c) lack of visibility of the JV Group into any information that may be relevant to their assessment given the complete and total control of financial information and documentation by the Debtors and Miniso Group;
- d) lack of control by the JV Group in the face of non-arms length agreements as between the proposed franchisor, franchisee and Miniso Trading Inc., as the proposed supplier;
- e) complete control of the franchisee directly or indirectly by Miniso Group;
- f) mandatory guarantees and grants of security interests in favour of Miniso Group; and
- g) a potential for unlimited liability, dilution of interests, and financial loss to be suffered by the JV Group on top of the losses the JV Group have already suffered.

As you are aware, the JV Group (and likely all persons in similarly structured arrangements with the Debtor) comprise mostly unsophisticated individuals and their numbered corporations. The JV Group does not have the legal, financial and business expertise to adequately assess the Proposal, or to appreciate the consequences of the Proposal or the CCAA proceedings generally.

The assessment of the Proposal requires the JV Group to not only determine their current losses

CAITLIN FELL  
PARTNER

T: 416-304-7002  
F: 416-362-8410  
cfell@btlegal.ca

and claims but also their projected revenues if they were to accept the Proposal as compared to their likely position in the CCAA if they do not. They have insufficient expertise and information to do so. Given these issues and the fact that a response to the Proposal is due at the tail end of the summer when many people are away, we are requesting an extension to the deadline to submit a response to the Proposal.

Until recently, most of the JV Group was unrepresented by legal counsel *vis a vis* the Proposal. To ensure that the JV Group, as well as all similarly situated persons, are properly represented by counsel and have access to the financial, legal and other advice necessary to make decisions with respect to the Proposal and the CCAA proceedings generally, we believe that the Debtors, the JV Group, as well as the Miniso Group are best served by having representative counsel and a financial advisor appointed by the Court to assist all of the continuing store investors. The Proposal notably advises each of the JV Group to consult legal, financial and other advisors with respect the various transactions in connection with the Proposal.

We intend to bring a motion to appoint representative counsel on behalf of the JV Group and to engage a financial advisor to advise them. We would like to discuss this potential motion with you to determine if the JV Group's needs and concerns can be met without the need for a motion. We believe that the interests of justice are best served by allowing the JV Group representation.

Please advise as soon as possible whether the request to the extension of the confirmation of the Proposal will be granted. We expect that if the request is not granted, we will likely be instructed to seek a motion date early next week.

We request that, going forward, all correspondence and communications to the JV Group be directed to counsel and not to the JV Group directly.

Yours truly,

**BRAUTI THORNING LLP**

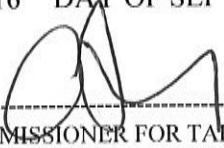


Caitlin Fell  
CF/cp

## SCHEDULE "A"

1. Scarborough Town Centre, Scarborough, ON
2. Promenade, Thornhill, ON
3. Oakville Place, Oakville, ON
4. Conestoga Mall, Waterloo, ON
5. Centre Point, Toronto, ON
6. Erin Mills, Toronto, ON
7. CF Markville, Markham, ON
8. Yonge Sheppard Shopping Centre, Toronto, ON
9. Oshawa Centre, Oshawa, ON
10. New Westminster Store, Vancouver, BC
11. West 41<sup>st</sup>, Vancouver, BC
12. Queen West, Toronto, ON

THIS IS **EXHIBIT "G"** REFERRED TO IN THE  
AFFIDAVIT OF VANESSA DU SWORN BEFORE ME,  
THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2019



\_\_\_\_\_

A COMMISSIONER FOR TAKING AFFIDAVITS

# FASKEN

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents

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fasken.com

September 9, 2019  
File No.: 316709.00001/15053

**Kibben Jackson**  
Direct +1 604-631-4786  
kjackson@fasken.com

**VIA EMAIL (cfell@btlegal.ca)**

Brauti Thorning LLP  
161 Bay Street, Suite 2900  
Toronto, ON M5J 2S1

**Attention: Caitlin Fell**

Dear Sirs/Mesdames:

**Re: In the Matter of the Companies' Creditors Arrangement Act and in the Matter of  
Miniso Canada Investments Inc. et al  
S.C.B.C. Action No. S197744, Vancouver Registry**

We are counsel for the Petitioners in the above-referenced proceeding (collectively, the "**Miniso Group**"). We write in response to your letter of September 6, 2019.

As a preliminary matter, it is, to put it mildly, concerning to see that your clients are alleging "fraud, misrepresentation and negligence as against... Miniso Group, their affiliates, directors and officers". The allegations are unfounded and libelous and our clients insist that they be withdrawn immediately, failing which there will be no further discussions among our clients concerning the Proposal (as defined in your letter).

As we have previously advised, our clients do not see themselves as being adverse to persons (the "**JV Investors**") that invested funds with Miniso Canada Investments Inc. or parties related to it (collectively, the "**Migu Group**"). Rather, our clients have at all times sought to treat the JV Investors fairly and respectfully. Indeed, that intention is reflected in the terms of the Proposal, which, as has been explained to the JV Investors at length and on numerous occasions, is very fair in the circumstances. Considering the foregoing, it is particularly alarming and, respectfully, unproductive to make a bald assertion of fraud as against the Miniso Group. We trust your clients will be more mindful in the future when making such allegations.

Regarding your request for an extension of the date by which the Proposal must be accepted (the "**Proposal Acceptance Date**"), we note that your clients have had a month to consider the Proposal and two weeks to review the various agreements underlying it and ask any questions they might have concerning same. To that end, our clients have facilitated numerous meetings, including with counsel for the JV Investors, in groups and in one-on-one conversations with certain of the JV Investors. We note that Sharon Kour of your office attended the August 21,



# FASKEN

2019 meeting with the Miniso Group and the Monitor and had every opportunity to ask questions about the Proposal at that time and afterwards.

As a result of the meetings and discussions with the JV Investors, the terms of the Proposal were amended at the request of certain JV Investors and the time for acceptance of the Proposal was extended to facilitate further meetings. So it is not lost on your clients, we confirm that all of the written communications concerning the Proposal since the August 9, 2019 letter were made to either clarify the terms of the Proposal or change those terms for the benefit of the JV Investors.

There is, as you can appreciate, urgency in relation to the completion of the overall restructuring transaction and, consequently, the Proposal. Our clients are the single largest creditor affected by the Migu Group's financial defaults and mismanagement, and they are expending a significant amount of funds and resources in order to mitigate their losses. Of course, the longer the restructuring process takes, the greater the cost to our clients and the less benefit to be gained from the process. Those costs include ongoing lease payments for retail stores that may or may not be continued, depending on whether the Proposal is accepted by the relevant JV Investor.

Relating to the foregoing is the fact that, under franchise law, there are minimum notice periods that must be provided to franchisees in relation to the delivery of the relevant franchise documents. The relatively quick deadline for an affirmative response to the non-binding Proposal is reflective of that unavoidable additional delay.

In light of the foregoing, our clients are not prepared to accede to your request for an extension of the Proposal Acceptance Date. We do note that for some of the affected stores, the Monitor is not able to disclaim the leases unless authorized to do so by order of the court in the CCAA proceeding. We understand that authorization will be sought at the hearing scheduled for September 16, 2019.

Accordingly, while we expect that some of the leases for the affected stores will be disclaimed starting on September 10, 2019, at least some will not be disclaimed until September 17, 2019. While we can give no assurances that our clients will, after September 9, 2019, be prepared to make the Proposal available to the JV Investors with an interest in such stores, or that they would do so without further conditions, there is at least a possibility that certain JV Investors will be able to accept the Proposal (or a form of it) after September 9, 2019.

As to your suggestion that the JV Investors would be best served by the appointment of representative counsel and of a financial advisor to assist them, we confirm our earlier advice that our clients will not accede to any such engagement where the costs of same are to be borne by the Miniso Group (which would be the case if the court were to order that such costs be paid by the Migu Group).

Regarding the need for a financial advisor, we fail to understand how your clients need assistance quantifying their current losses. Presumably they will assert that it is the amount each of them invested in the joint venture with the Migu Group. As for accepting the Proposal and thereby obtaining a 49% interest in a retail store, there is no potential financial downside to the JV Investors: they are not being asked to put up any funds and, contrary to the assertion in your



## FASKEN

letter, there is no possibility that they will be exposed to any personal liability except in the event of their breach of the non-compete and non-solicitation provisions of the shareholder and franchise agreements.<sup>1</sup> As for financial information pertaining to the retail stores, as previously advised, the Monitor is able to make that information available.


Although our clients are not prepared to accede to your request for the appointment of representative counsel for the JV Investors, it is apparent that the JV Investors could use assistance in understanding what the Proposal and underlying definitive agreements contemplate. Accordingly, as an alternative, our clients have asked the Monitor to engage, at our clients' cost, legal counsel experienced in franchise law to provide advice to the JV Investors regarding those matters. We expect that would include the preparation and dissemination of a preliminary report as to the terms of the agreements and a meeting (in person and by teleconference) so that such counsel can provide a detailed overview of the agreements and answer any questions the JV Investors might have.

Given the urgency of the situation, we have asked the Monitor to finalize such engagement as soon as possible so that the proposed report and meeting can be distributed and held this week.

Thank you for your attention to the foregoing. Please feel free to contact the writer if you wish to discuss same.

Yours truly,

**FASKEN MARTINEAU DuMOULIN LLP**

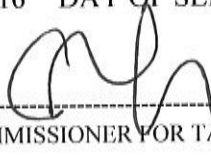
  
Kibben Jackson  
Personal Law Corporation

KJ/  
cc: Alvarez & Marsal Canada Inc. (attention: Anthony Tillman)  
Dentons Canada LLP (attention: John Sandrelli and Jordan Schultz)  
McMillan LLP (attention: Vicki Tickle)  
Client

---

<sup>1</sup> As previously advised, one or more landlords may request guarantees from the shareholders of the new store company, in which case the applicable JV Investor(s) will have to consider whether they are prepared to provide such a guarantee. To date, no landlords have made any such request.

THIS IS **EXHIBIT "H"** REFERRED TO IN THE  
AFFIDAVIT OF VANESSA DU SWORN BEFORE ME,  
THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2019

A handwritten signature in black ink, consisting of a large, stylized 'M' or 'W' shape with a loop at the end, positioned above a horizontal dashed line.

-----  
A COMMISSIONER FOR TAKING AFFIDAVITS

## Sharon Kour

---

**From:** Schultz, Jordan <jordan.schultz@dentons.com>  
**Sent:** September 11, 2019 3:01 PM  
**To:** Sharon Kour  
**Cc:** Anthony Tillman (atillman@alvarezandmarsal.com)  
**Subject:** CCAA of Migu Investments Inc. et al

Hi Sharon,

Further to our call yesterday, I wanted to confirm the points we discussed regarding extension of the proposals and funding for your clients' legal costs to review the proposal documents:

1. I understand the proposal from the petitioners (or "Miniso Group") is now open to be accepted by your clients up to 10 a.m. (Vancouver time) on September 16, 2019.
2. I confirm the Monitor will not be disclaiming any real property leases associated with those stores until after the Court application scheduled for the 16<sup>th</sup>.
3. Miniso Group advises that it is prepared to fund up to \$20,000 in legal fees incurred with your firm, solely in relation to reviewing the transaction documents and advising your clients on the same. While we understand you may have some comments on the forms of documents, this funding will not include fees relating to negotiating any underlying deal points. If required, the Monitor is prepared to review your invoices to confirm the scope of services Miniso Group is funding.

Let me know if you have any questions or clarification points on the above.

Thanks,  
Jordan



Jordan Schultz  
Partner

D +1 604 691 6452 | M +1 778 238 8339  
jordan.schultz@dentons.com  
Bio | Website

Dentons Canada LLP  
20th Floor, 250 I lowe Street Vancouver, BC V6C 3R8 Canada

Larraín Rencoret > Hamilton Harrison & Mathews > Mardemootoo Balgobin > HPRP > Zain & Co. > Delany Law > Dinner Martin > Maclay Murray & Spens > Gallo Barrios Pickmann > Muñoz > Cardenas & Cardenas > Lopez Velarde > Rodyk > Boekel > OPF Partners

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THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2019

  
-----  
A COMMISSIONER FOR TAKING AFFIDAVITS

# FASKEN

Fasken Martineau DuMoulin LLP  
Barristers and Solicitors  
Patent and Trade-mark Agents

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fasken.com

September 13, 2019  
File No.: 316709.00001/15053

**Kibben Jackson**  
Direct +1 604-631-4786  
kjackson@fasken.com

**VIA EMAIL (cfell@btlegal.ca)**

Brauti Thorning LLP  
161 Bay Street, Suite 2900  
Toronto, ON M5J 2S1

**Attention: Caitlin Fell**

Dear Sirs/Mesdames:

**Re: *In the Matter of the Companies' Creditors Arrangement Act and in the Matter of  
Miniso Canada Investments Inc. et al*  
S.C.B.C. Action No. S197744, Vancouver Registry**

We are counsel for the Petitioners in the above-referenced proceeding. We write further to our telephone conversation of today's date.

We confirm that the deadline for the JV Investors (as previously defined) to accept the proposal put forward by Miniso Canada Investments Inc. and Miniso Lifestyle Canada Inc. is 10:00 a.m. on September 16, 2019. I am advised that deadline will not be further extended.

With respect to your request for an adjournment of the application set down for September 16, 2019, we confirm our advice to you that the Petitioners will not consent to same. Indeed, if the orders sought by the Monitor are not granted on September 16, 2019 or very shortly thereafter, our clients will be terminating supply to the Debtors and giving notice of termination of the licence agreement. The inevitable result of the foregoing will be a receivership, which given the alternative, is an acceptable outcome for our clients.

As discussed during our call today, we encourage you to consult with the Monitor so as to satisfy your clients that in the event of a liquidation there is no likelihood of anything but a nominal (if any) recovery by any creditors other than the Petitioners. Similarly, we understand you spoke with Amy Carruthers of our office this afternoon to answer any outstanding questions you might have concerning the Proposal and the definitive documents to be executed by the JV Investors in relation thereto. This is all by way of saying that we encourage you and your clients to do whatever is necessary to make a decision as to whether to accept the Proposal (and if so, return executed documents) by the 10:00 a.m. September 16, 2019 deadline.



# FASKEN

Thank you for your attention to the foregoing. Please feel free to contact the writer if you wish to discuss same.

Yours truly,

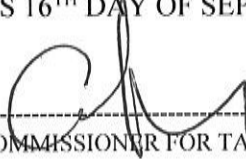
**FASKEN MARTINEAU DuMOULIN LLP**



Kibben Jackson  
Personal Law Corporation  
KJ/

cc: Alvarez & Marsal Canada Inc. (attention: Anthony Tillman)  
Dentons Canada LLP (attention: John Sandrelli and Jordan Schultz)  
McMillan LLP (attention: Vicki Tickle)  
Client

THIS IS **EXHIBIT "J"** REFERRED TO IN THE  
AFFIDAVIT OF VANESSA DU SWORN BEFORE ME,  
THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2019



-----  
A COMMISSIONER FOR TAKING AFFIDAVITS

## Sharon Kour

---

**From:** Amy Carruthers <acarruthers@fasken.com>  
**Sent:** September 13, 2019 1:33 PM  
**To:** Sharon Kour  
**Cc:** Kibben Jackson; Adrian Wan; atillman@alvarezandmarsal.com; Schultz, Jordan; john.sandrelli@dentons.com; Caitlin Fell; Steven Weisz  
**Subject:** RE: Miniso Definitive Agreement Package re: Scarborough

Thanks, Sharon.

We are not prepared to invest additional time and resources at this time to prepare a term sheet or summary. The understanding of the "deep terms" you reference can only be acquired from reviewing the documents we provided three weeks ago. These would not likely be reflected in any high level term sheet or summary in any event – you have to read the agreements, and it sounds like you have already done that so we fail to see any benefit at all in reverting to a term sheet or summary at this stage.

I am available at any time today for a call with you and Jordan to discuss these terms.

Thanks,  
Amy

Amy J Carruthers\*  
PARTNER  
T. +1 604 631 4943 | F. +1 604 631 3232  
\*Law Corporation

---

**From:** Sharon Kour [mailto:skour@btlegal.ca]  
**Sent:** September-13-19 10:20 AM  
**To:** Amy Carruthers  
**Cc:** Kibben Jackson; Adrian Wan; atillman@alvarezandmarsal.com; Schultz, Jordan; john.sandrelli@dentons.com; Caitlin Fell; Steven Weisz  
**Subject:** RE: Miniso Definitive Agreement Package re: Scarborough

Hi Amy,

We are just off a call with the Monitor, Dentons and Faskens. The Monitor suggested that we touch base on the terms of the deal, because it appears there is some discrepancy in the terms that our clients understand are being proposed, and the terms that the Monitor and Faskens believes the JV investors were offered.

As I previously requested in my email below, it would be of assistance to everyone to have a summary of the key terms (a term sheet of sorts) to ensure nothing is lost in translation. Based on our review of the definitive documents, there are some terms deep in the definitive documents that are not summarized in the disclosure documents. Some of those terms have significant impact on the investors' position and viability of the stores.

Are you available for a call today to discuss?

Thanks,

Sharon Kour  
Brauti Thorning LLP | BT LEGAL

direct: 416-304-6517 | mobile: 416-875-5243  
email: [skour@btlegal.ca](mailto:skour@btlegal.ca)

---

**From:** Amy Carruthers <[acarruthers@fasken.com](mailto:acarruthers@fasken.com)>  
**Sent:** September 10, 2019 3:23 PM  
**To:** Sharon Kour <[skour@btlegal.ca](mailto:skour@btlegal.ca)>; Caitlin Fell <[cfell@btlegal.ca](mailto:cfell@btlegal.ca)>  
**Cc:** Kibben Jackson <[kjackson@fasken.com](mailto:kjackson@fasken.com)>; Adrian Wan <[awan@fasken.com](mailto:awan@fasken.com)>  
**Subject:** RE: Miniso Definitive Agreement Package re: Scarborough

The key terms for each investor are exactly the same. They are already described, both in summary fashion and in detail, in the disclosure documents provided. In particular, I would refer you to pages 1-3 "Description of the Franchise" and Exhibit A for each location.

Any substantive changes were then described in the covering instruction letter and are shown in the comparisons I just circulated. Of particular note – there is no franchise fee payable or obligation to contribute additional capital to the new JV co except as described in section 4.1-4.3 of the Shareholder Agreement.

To be clear, our client (who is unrelated to the Migu group and their largest secured creditor), is effectively prepared to give these investors a 49% carried interest in the new JV store cos without having to put up any additional capital at this time (and without, I might add, any obligation at all to make such an offer), so from our client's perspective the investors really don't have much to lose here. But of course it's their call.

Hope this helps.

Thanks,  
Amy

Amy J Carruthers\*  
PARTNER  
T. +1 604 631 4943 | F. +1 604 631 3232  
\*Law Corporation

---

**From:** Sharon Kour [<mailto:skour@btlegal.ca>]  
**Sent:** September-10-19 12:02 PM  
**To:** Amy Carruthers; Caitlin Fell  
**Cc:** Kibben Jackson; Adrian Wan  
**Subject:** RE: Miniso Definitive Agreement Package re: Scarborough

Thank you, Amy. To be clear, the request was to provide an updated summary of key terms that the investors are being asked to agree to given that there have been various side discussions between Andrew Xie and the investors, and we would like to confirm the "official" terms to ensure everyone is moving forward with the same information.

An updated summary chart would suffice. Is that something that you might be able to provide?

Thanks,

**Sharon Kour**  
**Brauti Thorning LLP | BT LEGAL**  
direct: 416-304-6517 | mobile: 416-875-5243  
email: [skour@btlegal.ca](mailto:skour@btlegal.ca)

---

**From:** Amy Carruthers <[acarruthers@fasken.com](mailto:acarruthers@fasken.com)>  
**Sent:** September 10, 2019 2:56 PM

**To:** Caitlin Fell <[cfell@btlegal.ca](mailto:cfell@btlegal.ca)>

**Cc:** Kibben Jackson <[kjackson@fasken.com](mailto:kjackson@fasken.com)>; Sharon Kour <[skour@btlegal.ca](mailto:skour@btlegal.ca)>; Adrian Wan <[awan@fasken.com](mailto:awan@fasken.com)>

**Subject:** RE: Miniso Definitive Agreement Package re: Scarborough

Hi Caitlin,

To facilitate your review of the document packages for the investors, enclosed please find comparisons of the definitive agreements for your reference, showing the changes made from the templates provided in the disclosure document to the execution versions that were circulated yesterday for the Scarborough location. I have also included the Operating Agreement for your reference so you can see the removal of the mark-up referenced in the instruction letter, although this agreement does not need to be signed by the investors. There have been no changes to the form of Consignment Agreement or Franchisee Promissory Note previously circulated as part of the disclosure document. Neither of those need to be signed by the investors.

We have prepared the attached comparisons for the Scarborough location as a representative package – we don't propose to circulate comparisons for each store. The changes will be the same except for the changes specific to each investor/group of investors for each store depending on their original documents signed with the Migu Group, as described in Exhibit A of their respective disclosure document. That is the information we used to prepare the definitive agreements for each store. We did not receive any feedback from any of the investors indicating that the information set forth in Exhibit A was incorrect.

I understand there was a request to update the disclosure document to include the changes made to the agreements since the circulation of the original packages. We do not believe that is required as there is no obligation to update a disclosure document to reflect negotiated changes for the benefit of the franchisee. In addition, it would not be a productive use of time and resources at this point when we need the investors to review and consider whether they are prepared to sign the definitive agreements prepared for and provided to them.

If you have any questions about the agreements, I am available to discuss them with you.

Kind regards,  
Amy

Amy J Carruthers\*

PARTNER

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\*Law Corporation

---

**From:** Adrian Wan

**Sent:** September-09-19 11:07 AM

**To:** [cfell@btlegal.ca](mailto:cfell@btlegal.ca)

**Cc:** Amy Carruthers; Kibben Jackson; [skour@btlegal.ca](mailto:skour@btlegal.ca)

**Subject:** Miniso Definitive Agreement Package re: Scarborough

Dear Ms. Fell,

Further to discussions between our respective clients, please see attached instruction letter, package of definitive agreements (8 total) and corporate documents relating to the Store Co referenced in the instruction letter.

Thank you,  
Adrian

 Adrian Wan  
ASSOCIATE

# FASKEN

Fasken Martineau DuMoulin LLP

T. +1 604 631 3222 | F. +1 604 631 3232

awan@fasken.com | www.fasken.com/en/Adrian-Wan

550 Burrard Street, Suite 2900, Vancouver, British Columbia V6C 0A3

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THIS 16<sup>TH</sup> DAY OF SEPTEMBER, 2019

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line and a vertical stroke.

\_\_\_\_\_  
A COMMISSIONER FOR TAKING AFFIDAVITS



## Sharon Kour

---

**From:** Amy Carruthers <acarruthers@fasken.com>  
**Sent:** September 13, 2019 6:50 PM  
**To:** Sharon Kour; Schultz, Jordan; Caitlin Fell  
**Subject:** RE: Call to discuss Proposal Documents

Thanks, Sharon.

I am checking on the 18% interest rate under the Franchise Agreement (I am not sure what this would even apply to anyways as I don't think there are any fees payable under that agreement – the costs we discussed earlier are in the Operating Agreement). As such, I suspect we will be able to adjust that but still need instructions to do so. In the meantime, perhaps you can reassure your client that practically speaking this should not be a material concern in the circumstances.

I have also asked my colleague Darrell to review the representations under the Franchise Agreement that are requested from the Owners' on behalf of the Retailer. I think this was probably an oversight in preparing the original drafts and something we will likely be able to address. I am quite confident our client doesn't expect to pursue a breach of rep claim against your clients in respect of the Retailer's (JV Co's) organization, authorization or execution and delivery of the agreements or its financial position. The Ownership rep in 16.3 would still be required, but likely only in respect of the Owners themselves (not Retailer).

We look forward to hearing back from you as to whether your clients are interested in pursuing the opportunity.

Kind regards,  
Amy

Amy J Carruthers\*  
PARTNER  
T. +1 604 631 4943 | F. +1 604 631 3232  
\*Law Corporation

---

**From:** Sharon Kour [mailto:skour@btlegal.ca]  
**Sent:** September-13-19 12:58 PM  
**To:** Schultz, Jordan; Amy Carruthers; Caitlin Fell  
**Subject:** RE: Call to discuss Proposal Documents

Hi there, here is a summary that we've put together that I hope will make our call more efficient. Looking forward to discussing at 1:30.

Thanks,

**Sharon Kour**  
**Brauti Thorning LLP | BT LEGAL**  
direct: 416-304-6517 | mobile: 416-875-5243  
email: [skour@btlegal.ca](mailto:skour@btlegal.ca)

-----Original Appointment-----

**From:** Schultz, Jordan <jordan.schultz@dentons.com>

**Sent:** September 13, 2019 1:54 PM

**To:** Schultz, Jordan; Sharon Kour; Amy Carruthers

**Subject:** Call to discuss Proposal Documents

**When:** September 13, 2019 1:30 PM-2:30 PM (UTC-08:00) Pacific Time (US & Canada).

**Where:** Dial in - (866) 297 7169 // Conf ID - 604 691 6452#

Let me know if others want to join, I can forward this on

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