
**INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE FOR AFFECTED
LANDLORD CREDITORS OF YATSEN GROUP OF COMPANIES INC., SAR REAL
ESTATE INC. AND THE COMPANIES LISTED IN SCHEDULE “A”
(COLLECTIVELY, THE “APPLICANTS”)**

CLAIMS PROCEDURE

By Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated August 4, 2021 (as such Order may be amended from time to time, the “**Claims Procedure Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”), the Applicants and Alvarez & Marsal Canada Inc., in its capacity as Court-appointed monitor of the Applicants (the “**Monitor**”), have been authorized to conduct a claims procedure (the “**Claims Procedure**”). A copy of the Claims Procedure Order and other public information concerning these CCAA proceedings can be obtained from the Monitor’s website at www.alvarezandmarsal.com/YatsenGroup. Please review the Claims Procedure Order for the full terms of the Claims Procedure.

The Claims Procedure is intended to identify and determine the amount of any Landlord Claims against the Applicants, whether unliquidated, contingent or otherwise, that are to be affected in the plan of compromise and arrangement being pursued by the Applicants under the CCAA and any Claims against any or all of the Directors or Officers of the Applicants.

Pursuant to the Claim Procedure Order, the Monitor shall distribute a Notice of Claim to each Affected Landlord Creditor (other than any Existing Allowed Landlord Creditor) setting out the amount of such Affected Landlord Creditor’s Affected Landlord Claim, for voting and distribution purposes, as determined by the Applicants, in consultation with the Monitor, based on the Applicants’ books and records.

If you have received a Notice of Claim and you dispute the determination of your Claim as set forth therein for voting and/or distribution purposes, you must file a Notice of Dispute of Claim with the Monitor. All Notices of Dispute of Claim must be **received by the Monitor on or before 5:00 p.m. (Toronto time) on September 1, 2021** (the “**Claims Bar Date**”). If a Notice of Dispute of Claim is not received on or before that time, then you shall be deemed to have accepted the determination of your Claim as set out in the Notice of Claim for both voting and distribution purposes, and any and all of your rights to dispute such Claim as so valued or to otherwise assert or pursue such Claim in an amount that exceeds the amount set forth on the Notice of Claim shall be forever extinguished and barred without further act or notification.

This letter provides general instructions for completing a Notice of Dispute of Claim. Defined terms not defined within this instruction letter shall have the meaning ascribed thereto in the Claim Procedure Order.

FOR AFFECTED LANDLORD CREDITORS DISPUTING A NOTICE OF CLAIM

SECTION 1 – PARTICULARS OF THE CREDITOR

1. The full legal name and contact information of the Affected Landlord Creditor must be provided.
2. Unless the Claim is assigned or transferred pursuant to the terms of the Claims Procedure Order, all future correspondence, notices, etc., regarding the Claim will be directed to the address and contact indicated in this section.

SECTION 2 – ASSIGNEE OR TRANSFEREE

3. If the Affected Landlord Creditor has been assigned or otherwise transferred its Claim, then Section 2 must be completed.
4. The full legal name of the assignor or transferor must be provided.
5. Include all available supporting documentation evidencing the assignment or transfer of the Affected Landlord Claim.
6. If the Monitor, in consultation with the Applicants, is satisfied that an assignment or transfer has occurred in accordance with the terms of the Claims Procedure Order, all future correspondence, notices, etc., regarding the Affected Landlord Claim will be directed to the assignee or transferee at the address and contact indicated in the Dispute of Notice of Claim.

SECTION 3 – DISPUTE OF CLAIM

7. Indicate the name of the Applicant(s) against which the Affected Landlord Creditor is asserting a Claim.
8. Indicate whether the Claim is being disputed for voting and/or distribution purposes by checking the applicable box, and include the amount of the Claim being asserted for voting and/or distribution purposes.
9. All Claims shall be converted to U.S. dollars at the Bank of Canada daily exchange rate in effect at January 25, 2021. Claim amounts listed in the Notice of Claim are denominated in U.S. dollars.

SECTION 4 – REASONS FOR DISPUTE

10. Provide a description and full particulars of the Claim being disputed, including all available supporting documentation.

Additional Notice of Dispute of Claim forms can be obtained from the Monitor's website at www.alvarezandmarsal.com/YatsenGroup or by contacting the Monitor at the contact information provided above.

FOR AFFECTED LANDLORD CREDITORS ASSERTING A D&O CLAIM

If you believe you have a D&O Claim, you must file a D&O Proof of Claim asserting any such D&O Claim such that the D&O Proof of Claim is **received by the Monitor by the Claims Bar Date**, otherwise any such D&O Claim shall be forever extinguished and barred without further act or notification.

D&O Proof of Claim forms and instructions for completing a D&O Proof of Claim can be obtained from the Monitor's website at www.alvarezandmarsal.com/YatsenGroup or by contacting the Monitor at the contact information provided above.

All notices and inquiries with respect to the Claims Procedure should be directed to the Monitor by prepaid registered mail, courier, personal delivery, fax, email or telephone at the address below:

Alvarez & Marsal Canada Inc., Court-appointed Monitor
of the Yatsen Group of Companies Inc. and certain of its
subsidiaries

Claims Process

Royal Bank Plaza, South Tower
200 Bay Street, Suite 2900
P.O. Box 22
Toronto, Ontario M5J 2J

Attention: Alan Hutchens
Telephone: 416.847.5187
Email: yatsengroup@alvarezandmarsal.com
Fax: 416.847.5201

DATED this 5th day of August, 2021.