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# JOYCE

## **JOYCE BOUTIQUE HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

Stock Code: 0647

**REORGANISATION PROPOSAL –  
CHANGE OF THE HOLDING COMPANY OF THE GROUP  
FROM JOYCE BOUTIQUE HOLDINGS LIMITED (DOMICILED IN BERMUDA)  
TO JOYCE BOUTIQUE GROUP LIMITED (DOMICILED IN HONG KONG),  
THE SHARES OF WHICH ARE PROPOSED TO BE LISTED ON THE  
MAIN BOARD OF THE STOCK EXCHANGE OF HONG KONG LIMITED  
BY WAY OF INTRODUCTION PURSUANT TO A SCHEME OF ARRANGEMENT  
(UNDER SECTION 99 OF THE COMPANIES ACT 1981 OF BERMUDA  
(AS AMENDED))**

### **INTRODUCTION**

The Board intends to put forward to Shareholders for consideration and approval the Reorganisation Proposal whereby the holding company of the Group will be changed from the Company, a company incorporated in Bermuda, to Newco, a company incorporated in Hong Kong with limited liability, by way of the Scheme.

### **THE REORGANISATION PROPOSAL**

Pursuant to the Scheme, the structure of the Group will be reorganised such that upon implementation of the Reorganisation Proposal Newco will become the new holding company of the Group, and Scheme Shareholders will become Newco Shareholders and will have the same proportionate interests in Newco as they will hold in the Company at the Record Time.

Under the Reorganisation Proposal, simultaneously on the Effective Date:

- (a) Scheme Shareholders will hold the same number of Newco Shares (ranking *pari passu* with each other) as the number of Scheme Shares held by each of them at the Record Time, respectively, and credited as fully paid;
- (b) all Scheme Shares will be cancelled; and
- (c) the Company will issue one New Share to Newco and will apply part of the credit arising in its books of account as a result of the cancellation of the Scheme Shares referred to paragraph (b) above in paying up in full at par the one New Share.

As a result of the Scheme, the Company and all existing subsidiaries of the Company will become subsidiaries of Newco and Newco will become the ultimate holding company of the Group. Upon completion of the Reorganisation Proposal, Newco will control and operate the same assets and businesses as the Company, and the listing status of the Company on the Stock Exchange will be withdrawn, while Newco will become listed on the Main Board in the Company's stead.

## **CONDITIONS PRECEDENT OF THE REORGANISATION PROPOSAL**

Completion of the Reorganisation Proposal is subject to the fulfilment (or, where relevant, waiver) of the following conditions precedent:

- (a) the Scheme being approved by a majority in number representing not less than three-fourths in value of the Scheme Shareholders present and voting in person or by proxy at the Court Meeting;
- (b) the passing of a special resolution by the Shareholders at the Special General Meeting to approve and give effect to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares;
- (c) the passing of ordinary resolution(s) by the Shareholders at the Special General Meeting to approve, among others, the issue of one New Share to Newco and to apply part of the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares in paying up in full at par the one New Share simultaneously with the cancellation of the Scheme Shares;
- (d) to the extent necessary, compliance by the Company with section 46(2) of the Companies Act in relation to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares;
- (e) the Scheme, with or without modification, being sanctioned by the Court, and a copy of the Court order being delivered to the Registrar of Companies in Bermuda for registration;
- (f) the Listing Committee granting approval for the listing on the Main Board by way of introduction of, and permission to deal in, the Newco Shares to be issued pursuant to the Scheme and such approval not having been revoked prior to the Scheme becoming effective; and
- (g) all Authorisations which may be required in connection with the Reorganisation Proposal under any existing contractual arrangements or regulatory requirements having been obtained and all regulatory filing obligations having been complied with.

## **SCHEME DOCUMENT**

The Company will issue further announcement(s) about the Reorganisation Proposal, including the timetable of the Reorganisation Proposal and the despatch date of the Scheme Document in relation to the Scheme, where required under the applicable laws and regulations including the Listing Rules. The Scheme Document is expected to contain, *inter alia*, further details of the Reorganisation Proposal and the Scheme, the expected timetable, information on the Group, letter from the Board, a notice of the Court Meeting and a notice of the Special General Meeting, together with proxies in relation thereto.

**Shareholders and potential investors of the Company should be aware that the implementation of the proposed reorganisation is subject to a number of conditions and may or may not proceed. Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the Shares and other securities of the Company, and should seek professional advice if there is any doubt about their position.**

## **THE REORGANISATION PROPOSAL**

The Board proposes to change the holding company of the Group from the Company to Newco by way of the Scheme, pursuant to which the structure of the Group will be reorganised such that Newco, a company incorporated in Hong Kong with limited liability, will become the new holding company of the Group, and Scheme Shareholders will then hold one Newco Share for every Scheme Share held at the Record Time. Accordingly, Scheme Shareholders will become Newco Shareholders and will have the same proportionate interests in Newco as they hold in the Company at the Record Time, upon implementation of the Reorganisation Proposal.

Under the Reorganisation Proposal, simultaneously on the Effective Date:

- (a) Scheme Shareholders will hold the same number of Newco Shares (ranking *pari passu* with each other) as the number of Scheme Shares held by each of them at the Record Time, respectively, and credited as fully paid;
- (b) all Scheme Shares will be cancelled; and
- (c) the Company will issue one New Share to Newco and will apply part of the credit arising in its books of account as a result of the cancellation of the Scheme Shares referred to paragraph (b) above in paying up in full at par the one New Share.

As a result of the Scheme, the Company and all existing subsidiaries of the Company will become subsidiaries of Newco and Newco will become the ultimate holding company of the Group. Upon completion of the Reorganisation Proposal, Newco will control and operate the same assets and businesses as the Company, and the listing status of the Company on the Stock Exchange will be withdrawn, while Newco will become listed on the Main Board in the Company's stead.

## **CONDITIONS PRECEDENT OF THE REORGANISATION PROPOSAL**

Completion of the Reorganisation Proposal is subject to the fulfilment (or, where relevant, waiver) of the following conditions precedent:

- (a) the Scheme being approved by a majority in number representing not less than three-fourths in value of the Scheme Shareholders present and voting in person or by proxy at the Court Meeting;
- (b) the passing of a special resolution by the Shareholders at the Special General Meeting to approve and give effect to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares;
- (c) the passing of ordinary resolution(s) by the Shareholders at the Special General Meeting to approve, among others, the issue of one New Share to Newco and to apply part of the credit arising in the books of account of the Company as a result of the cancellation of the

Scheme Shares in paying up in full at par the one New Share simultaneously with the cancellation of the Scheme Shares;

- (d) to the extent necessary, compliance by the Company with section 46(2) of the Companies Act in relation to any reduction of the issued share capital of the Company associated with the cancellation of the Scheme Shares;
- (e) the Scheme, with or without modification, being sanctioned by the Court, and a copy of the Court order being delivered to the Registrar of Companies in Bermuda for registration;
- (f) the Listing Committee granting approval for the listing on the Main Board by way of introduction of, and permission to deal in, the Newco Shares to be issued pursuant to the Scheme and such approval not having been revoked prior to the Scheme becoming effective; and
- (g) all Authorisations which may be required in connection with the Reorganisation Proposal under any existing contractual arrangements or regulatory requirements having been obtained and all regulatory filing obligations having been complied with.

## **EFFECTS OF THE REORGANISATION PROPOSAL**

### **Financial position**

The implementation of the Reorganisation Proposal will not affect the business, net assets/liabilities or financial position of the Group, save that professional costs and expenses relating to the implementation of the Reorganisation Proposal will be incurred. Save for such costs and expenses, the consolidated assets and liabilities of the Group upon completion of the Reorganisation Proposal are expected to be the same as those of the Group immediately prior to completion of the Reorganisation Proposal. The financial year of the Newco will, as for the Company, end on 31 March.

### **Business**

The business and management of the Group will not be changed as a result of the implementation of the Reorganisation Proposal. Immediately following completion of the Reorganisation Proposal, Newco will become the holding company of the Group, which will continue to carry on the present business activities of the Group. The Group is principally engaged in sales of designer fashion garments, cosmetics and accessories in Hong Kong and Mainland China.

### **Ownership, voting control and management**

Upon completion of the Reorganisation Proposal:

- (i) the ownership, voting control and management of the Group will, through Newco, remain as present;
- (ii) the interests of the Group in its subsidiaries will remain unaffected;
- (iii) all Scheme Shareholders will hold Newco Shares on the basis of one Newco Share for every one Scheme Share held at the Record Time. All Newco Shares will be credited as fully paid and will rank *pari passu* with each other; and

- (iv) Scheme Shareholders will hold the same proportionate interests in Newco as they hold in the Company at the Record Time.

### **Directors and employees**

All the current Directors are expected to act as Newco Directors. There are no agreements or arrangements under which the emoluments or terms of service of any Newco Director who is a Director will be changed as a result of the implementation of the Reorganisation Proposal nor will the emoluments or terms of service of any employee of the Group be varied as a result of implementation of the Reorganisation Proposal. No substantial change to the senior management personnel of the Group is expected upon implementation of the Reorganisation Proposal.

### **No convertibles securities or share options outstanding**

As at the date of this announcement, the Company has no convertible securities or share options outstanding.

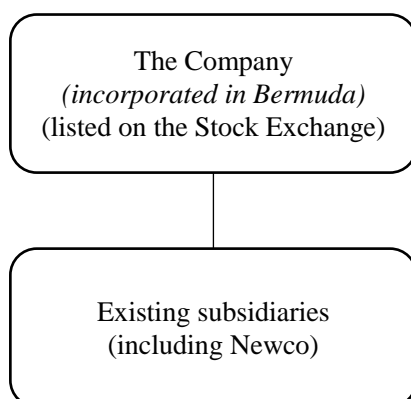
### **Dividends**

It is intended that dividends on Newco Shares will, as for the Shares, be paid in Hong Kong dollars. Similar to the case at present in relation to the Shares, following the completion of the Reorganisation Proposal, payments of dividends on Newco Shares will not be subject to taxation in Hong Kong and no withholding will be required on the payment of dividends to Newco Shareholders under Hong Kong laws. Shareholders and other potential investors should, however, obtain their own professional advice in relation to their tax position in their particular circumstances.

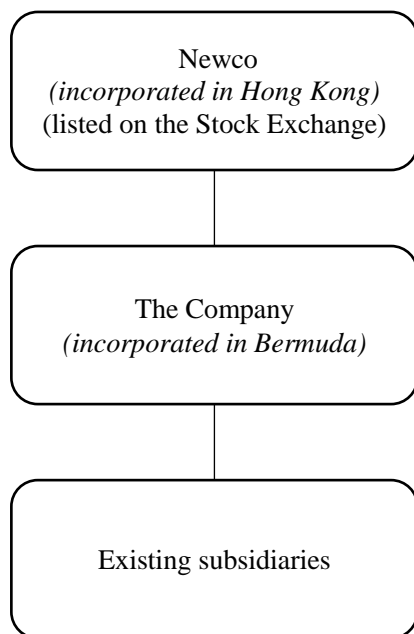
### **SIMPLIFIED STRUCTURE OF THE GROUP BEFORE AND IMMEDIATELY FOLLOWING COMPLETION OF THE REORGANISATION PROPOSAL**

Set out below are the simplified structures of the Group (a) as at the date of this announcement and as expected to be immediately before completion of the Reorganisation Proposal, and (b) as expected to be immediately following completion of the Reorganisation Proposal, respectively.

#### **As at the date of this announcement and as expected to be immediately before completion of the Reorganisation Proposal**



## As expected to be immediately following completion of the Reorganisation Proposal



*Note:* The listing status of the Company on the Main Board will be withdrawn upon the Scheme becoming effective. Subsequent to the Completion of the Reorganisation Proposal, it is currently expected that the Company will be liquidated.

### REASONS FOR THE REORGANISATION PROPOSAL

In recommending the Reorganisation Proposal, the Directors have given due consideration to the commercial and legal factors of having the holding company of the Group incorporated in Hong Kong. The Directors consider Hong Kong as the appropriate place of incorporation of Newco for the following reasons:

For the Group's current scale (reduced over the years) and with its management and principal operations based in Hong Kong, maintaining the company registration of the listed holding company in Bermuda has become an unattractive arrangement. Besides the time-zone difference which leads to administrative inconvenience whenever the Group needs to seek support and services in Bermuda, the Group's substantial trading losses in recent years and the outlook for the foreseeable future also make it cost-inappropriate to maintain a Bermuda registration, particularly when maintenance costs are expected to increase upon the implementation of the economic substance requirements in Bermuda. The Directors are of view that the benefits of maintaining a Bermuda registration have been outweighed by the increasing inefficiency in costs and administration after taking into account the size and profitability of the Group. The Directors therefore propose the Reorganisation Proposal as a measure to address such inefficiency and to reduce the continuing burden of corporate overheads.

### GENERAL MANDATES

It is proposed that the Company, in its capacity as the sole shareholder of Newco, will grant to the Newco Directors the following general and unconditional mandates, subject to and conditional upon the Scheme becoming effective:

- (a) to buy back Newco Shares, on the Stock Exchange or on another stock exchange

recognised by the SFC and the Stock Exchange, not exceeding 10% of the total number of issued Newco Shares immediately following completion of the allotment and issue to the Scheme Shareholders of Newco Shares as contemplated by and pursuant to the Scheme (“**Buyback Mandate**”);

- (b) to allot, issue or deal with Newco Shares not exceeding 20% of the total number of issued Newco Shares immediately following completion of the allotment and issue to the Scheme Shareholders of Newco Shares as contemplated by and pursuant to the Scheme (“**Issuance Mandate**”); and
- (c) to extend the Issuance Mandate by adding the number of Newco Shares bought back by Newco pursuant to and in accordance with the Buyback Mandate, until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of Newco;
  - (ii) the revocation or variation of the authority given under the relevant shareholder’s resolutions granting the above general mandates passed by the Newco’s shareholders in general meetings; and
  - (iii) the expiration of the period within which the next annual general meeting of Newco is required by the articles of association of Newco or any applicable laws to be held.

## **STOCK EXCHANGE LISTING AND DEALINGS**

An application will be made by Newco to the Listing Committee for approval for the listing on the Main Board by way of introduction of, and permission to deal in, Newco Shares to be issued pursuant to the Scheme. An application will also be made by the Company to the Stock Exchange for the simultaneous withdrawal of the listing of the Shares subject to completion of the Reorganisation Proposal.

Subject to such applications being approved, upon completion of the Reorganisation Proposal, the listing of the Shares on the Main Board will be withdrawn in accordance with Rule 6.15(2) of the Listing Rules, and the Newco Shares to be issued pursuant to the Scheme will be listed on the Main Board and will be traded on the Main Board under the Company’s existing stock code (being stock code 0647). The stock short name of Newco will remain the same as the Company’s existing stock short name.

Subject to the Stock Exchange granting the approval for the listing of, and permission to deal in, the Newco Shares on the Main Board, as well as compliance with the stock admission requirements of HKSCC, Newco Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in Newco Shares on the Main Board or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Newco Shares to be admitted into CCASS.

## **WAIVERS FROM THE STOCK EXCHANGE AND THE EXECUTIVE**

The Company will apply to the Stock Exchange for waivers from compliance with certain provisions of the Listing Rules applicable to the Reorganisation Proposal and/or the Scheme Document, including the requirement to appoint a sponsor in relation to the listing of the Newco Shares by way of introduction on the Main Board.

The Company has applied for, and the Executive has granted, a waiver from compliance with the requirements of Rule 2.10 of the Takeovers Code, which otherwise imposes more onerous voting requirements than those imposed by the Companies Act for the approval of the Scheme, in light of the fact that, under the Reorganisation Proposal (i) there will be no substantial change in the percentage shareholding of any Shareholder; (ii) there will be no acquisition or consolidation of control of the Company by any person or a group of persons; and (iii) save for professional costs and expenses to be incurred in relation to the implementation of the Reorganisation Proposal, Shareholders' economic interests in the Company will not be affected by the implementation of the Reorganisation Proposal.

Further details of the waivers will be included in the Scheme Document.

## **GENERAL INFORMATION**

### **Court Meeting and Special General Meeting**

#### ***Court Meeting***

The Court Meeting will be convened for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications).

As far as the Company is aware, no Shareholders are materially interested in the transactions contemplated under the Scheme and therefore, no Shareholders are required to abstain from voting at the Court Meeting under the relevant laws, rules and regulations.

#### ***Special General Meeting***

The Special General Meeting will be held for the purpose of considering and if thought fit, passing, amongst other things, a special resolution to approve and give effect to any reduction of issued share capital of the Company associated with the cancellation of the Scheme Shares and ordinary resolution(s) to approve, among others, the issue of one New Share to Newco and to apply part of the credit arising in the books of account of the Company as a result of the cancellation of the Scheme Shares in paying up in full at par the one New Share simultaneously with the cancellation of the Scheme Shares.

As far as the Company is aware, no Shareholders are materially interested in the transactions contemplated under the resolutions to be considered at the Special General Meeting and therefore, no Shareholders are required to abstain from voting at the Special General Meeting under the relevant laws, rules and regulations.

### **Scheme Document**

The Company will issue further announcement(s) about the Reorganisation Proposal, including the timetable of the Reorganisation Proposal and the despatch date of the Scheme Document in relation to the Scheme, where required under the applicable laws and regulations including the Listing Rules. The Scheme Document is expected to contain, *inter alia*, further details of the



Reorganisation Proposal and the Scheme, the expected timetable, information on the Group, letter from the Board, a notice of the Court Meeting and a notice of the Special General Meeting, together with proxies in relation thereto.

## **RESPONSIBILITY STATEMENT**

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading. This announcement includes particulars given in compliance with the Takeovers Code for the purpose of giving information relating to the Group. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

## **WARNINGS**

**Shareholders and potential investors of the Company should be aware that the implementation of the proposed reorganisation is subject to a number of conditions and may or may not proceed. Shareholders and potential investors of the Company are urged to exercise extreme caution when dealing in the Shares and other securities of the Company, and should seek professional advice if there is any doubt about their position.**

## **DEFINITIONS**

In this announcement, the following expressions have the meaning set out below unless the context requires otherwise:

“Authorisations”	all authorisations, registrations, filings, rulings, consents, permissions and approvals (including approvals in-principle)
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the business of dealings in securities
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Joyce Boutique Holdings Limited (stock code: 0647), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Court”	the Supreme Court of Bermuda
“Court Meeting”	the meeting of the Scheme Shareholders to be convened at

	the direction of the Court at which the Scheme (with or without modification(s) or addition(s)) will be voted upon, or any adjournment thereof
“Directors”	the directors of the Company
“Effective Date”	the date upon which the Scheme, if approved and sanctioned by the Court, becomes effective in accordance with its terms and the Companies Act, being the date on which a copy of the order of the Court sanctioning the Scheme is delivered to the Registrar of Companies in Bermuda for registration
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries before the Scheme becomes effective, or (where the context so requires) Newco and its subsidiaries upon the Scheme becoming effective
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended, supplemented or otherwise modified from time to time)
“Main Board”	the Main Board of the Stock Exchange
“Mainland China”	the People’s Republic of China excluding, for the purpose of this announcement, Hong Kong, the Macao Special Administrative Region and Taiwan
“New Shares”	the new Shares to be issued to Newco pursuant to the Scheme
“Newco”	Joyce Boutique Group Limited, a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of the Company and, upon the Scheme becoming effective, will become the new holding company of the Group, and an application will be made for listing its shares on the Main Board by way of introduction
“Newco Directors”	the directors of Newco
“Newco Shares”	ordinary shares in the share capital of Newco
“Newco Shareholders”	the holders of the Newco Shares

“Record Time”	the record time for determining entitlements of the Scheme Shareholders under the Scheme which is currently expected to be 6:00 p.m. (Hong Kong time) on the Business Day immediately preceding the Effective Date
“Reorganisation Proposal”	the proposed change of the holding company of the Group from the Company to Newco, a company incorporated in Hong Kong with limited liability, by way of the Scheme
“Scheme”	a scheme of arrangement pursuant to section 99 of the Companies Act involving, <i>inter alia</i> , the cancellation of all the Scheme Shares
“Scheme Document”	the composite scheme document to be issued by the Company to the Shareholders in relation to the Scheme
“Scheme Shareholders”	holders of the Scheme Shares as at the Record Time
“Scheme Shares”	all the Shares in issue at the Record Time
“SFC”	Securities and Futures Commission of Hong Kong
“Shareholders”	holders of the Shares
“Shares”	ordinary shares in the share capital of the Company
“Special General Meeting”	the special general meeting of the Company to be convened for the purposes of considering and if thought fit, approving the resolutions in relation to the Reorganisation Proposal, or any adjournment thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC (as amended, supplemented or otherwise modified from time to time)
“%”	per cent. All percentages stated in this announcement are approximations.

By Order of the Board  
**Kevin C. Y. Hui**  
*Company Secretary*

Hong Kong, 6 June 2019

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Stephen T. H. Ng, Ms. Doreen Y. F. Lee and Mr. Paul Y. C. Tsui, together with three Independent Non-executive Directors, namely Mr. Antonio Chan, Mr. Eric K. K. Lo and Mr. T. Y. Ng.*