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JoyBo International Limited
(Incorporated in the British Virgin Islands with limited liability)

JOYCE
Joyce Boutique Group Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 647)

JOINT ANNOUNCEMENT

(1) PROPOSED PRIVATISATION OF JOYCE BOUTIQUE GROUP LIMITED

BY

JOYBO INTERNATIONAL LIMITED

BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 673 OF THE COMPANIES ORDINANCE

(2) PROPOSED WITHDRAWAL OF LISTING OF JOYCE BOUTIQUE GROUP LIMITED

(3) ESTABLISHMENT OF THE INDEPENDENT BOARD COMMITTEE

AND (4) RESUMPTION OF TRADING IN SHARES OF

JOYCE BOUTIQUE GROUP LIMITED

Financial Adviser to the Offeror



SOMERLEY CAPITAL LIMITED

Somerley Capital Limited

Independent Financial Adviser to the Independent Board Committee



Halcyon Capital Limited

1. INTRODUCTION

The Offeror and the Company jointly announce that, on 11 December 2019, the Offeror requested the board of directors of the Company to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under section 673 of the Companies Ordinance.

2. TERMS OF THE PROPOSAL

The Scheme will provide that the Scheme Shares be cancelled in exchange for the payment to Scheme Shareholders of HK\$0.280 in cash for each Scheme Share.

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so.

Only Independent Shareholders may vote at the Court Meeting on the resolution to approve the Scheme. The Shares owned by the Offeror and the Offeror Concert Parties will not be voted at the Court Meeting on the resolution to approve the Scheme.

As at the date of this joint announcement, the Independent Shareholders were interested in 406,953,277 Shares (representing approximately 25.1% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares.

As at the date of this joint announcement, the Offeror was interested in 1,183,838,723 Shares (representing approximately 72.9% of the issued share capital of the Company). Such Shares will not form part of the Scheme Shares and the Offeror will not vote on the Scheme at the Court Meeting.

As at the date of this joint announcement, Mr. Douglas C. K. Woo, an Offeror Concert Party (being the son of Mr. Woo Kwong Ching Peter, the settlor of the trust of which HSBC Trustee (C.I.) Limited, an indirect holding company of the Offeror, is the trustee), was interested in 33,208,000 Shares (representing approximately 2.0% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares but will not be voted at the Court Meeting.

The Proposal is conditional upon the fulfillment or waiver, as applicable, of the Conditions as described in the section headed "Conditions of the Proposal" below. All Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the High Court may direct), failing which the Proposal will lapse.

3. FINANCIAL RESOURCES

The maximum amount of cash consideration required to effect the Proposal will be HK\$123,245,157.56.

Somerley Capital Limited, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

4. WITHDRAWAL OF LISTING

Upon the Scheme becoming effective, all Scheme Shares will be cancelled (with the equivalent number of new Shares being issued as fully paid to the Offeror) and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, with effect from the Effective Date.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and/or the High Court may direct). If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

5. SCHEME DOCUMENT

A Scheme Document including, among other things, details of the Proposal, an explanatory statement, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from the Independent Financial Adviser and notices of the Court Meeting and the General Meeting will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and applicable laws and regulations.

6. SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading of Shares on the Stock Exchange was suspended from 9:00 a.m. on 9 December 2019, pending the issue of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of Shares on the Stock Exchange with effect from 9:00 a.m. on 13 December 2019.

WARNINGS

Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal will be made solely through the Scheme Document, which will contain the

full terms and conditions of the Proposal, including details of how to vote on the Proposal. Any approval or other response to the Proposal should be made only on the basis of information in the Scheme Document.

The availability of the Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Details in relation to overseas shareholders of the Company will be contained in the Scheme Document.

INTRODUCTION

On 11 December 2019, the Offeror requested the board of directors of the Company to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of the Scheme involving the cancellation of all the Scheme Shares, as a result of which the Offeror will hold 100% of the issued share capital of the Company.

TERMS OF THE PROPOSAL

Approval by Independent Shareholders

Only Independent Shareholders may vote at the Court Meeting on the resolution to approve the Scheme. The Shares owned by the Offeror and the Offeror Concert Parties will not be voted at the Court Meeting on the resolution to approve the Scheme.

As at the date of this joint announcement, the Independent Shareholders were interested in 406,953,277 Shares (representing approximately 25.1% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares.

As at the date of this joint announcement, the Offeror was interested in 1,183,838,723 Shares (representing approximately 72.9% of the issued share capital of the Company). Such Shares will not form part of the Scheme Shares and the Offeror will not vote on the Scheme at the Court Meeting.

As at the date of this joint announcement, Mr. Douglas C. K. Woo, an Offeror Concert Party (being the son of Mr. Woo Kwong Ching Peter, the settlor of the trust of which HSBC Trustee (C.I.) Limited, an indirect holding company of the Offeror, is the trustee), was interested in 33,208,000 Shares (representing approximately 2.0% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares but will not be voted at the Court Meeting.

As at the date of this joint announcement, the Scheme Shares, comprising 440,161,277 Shares, represent approximately 27.1% of the issued Shares.

Consideration

The Scheme will provide that the Scheme Shares be cancelled in exchange for the payment to Scheme Shareholders of HK\$0.280 in cash for each Scheme Share.

As at the date of this joint announcement, there were no outstanding options, warrants, derivatives or convertible securities issued by the Company.

No price increase statement

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so.

Comparisons of value

The Cancellation Price represents:

- a premium of approximately 91.78% over the closing price of HK\$0.1460 per Share as quoted on the Stock Exchange on the Last Trading Date;
- a premium of approximately 91.26% over the average closing price of HK\$0.1464 per Share based on the daily closing prices as quoted on the Stock Exchange over the 5 trading days up to and including the Last Trading Date;
- a premium of approximately 82.17% over the average closing price of HK\$0.1537 per Share based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Trading Date;
- a premium of approximately 62.70% over the average closing price of HK\$0.1721 per Share based on the daily closing prices as quoted on the Stock Exchange over the 60 trading days up to and including the Last Trading Date;
- a premium of approximately 32.20% over the average closing price of HK\$0.2118 per Share based on the daily closing prices as quoted on the Stock Exchange over the 180 trading days up to and including the Last Trading Date;
- a premium of approximately 0.39% over the audited consolidated net asset value attributable to Shareholders per Share of approximately HK\$0.2789 as at 31 March 2019; and
- a premium of approximately 19.91% over the unaudited consolidated net asset value attributable to Shareholders per Share of approximately HK\$0.2335 as at 30 September 2019.

The Cancellation Price has been determined after taking into account, among others, the financial information of the Group, the prices at which the Shares were traded on the Stock Exchange over the past year, and pricing premiums for privatisation transactions of companies listed on the Stock Exchange in recent years.

Highest and lowest prices

During the six month period preceding the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.2490 each on 10 June 2019, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.1340 each on 25 November 2019.

Total consideration

As at the date of this joint announcement, the issued share capital of the Company comprises 1,624,000,000 Shares, and 440,161,277 Scheme Shares were in issue, which represented approximately 27.1% of the issued share capital of the Company as at the date of this joint announcement.

At the Cancellation Price, the Proposal values the entire issued share capital of the Company at HK\$454,720,000.00.

The maximum amount of cash consideration required to effect the Proposal will be HK\$123,245,157.56.

Confirmation of financial resources

Payment of the cash consideration under the Scheme will be funded by the internal cash resources of LCJG Limited, a company which directly and wholly owns the Offeror.

Somerley Capital Limited, as financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the maximum amount of cash consideration required to effect the Proposal.

CONDITIONS OF THE PROPOSAL

The Proposal and the Scheme will become effective and binding on the Company and all Scheme Shareholders subject to the fulfillment or waiver (as applicable) of the following Conditions:

- (a) the approval of the Scheme at the Court Meeting (by way of poll) by holders of the Scheme Shares representing at least 75% of the voting rights of such holders present and voting, in person or by proxy, at the Court Meeting, and the votes cast (by way of poll) against the Scheme at the Court Meeting not exceeding 10% of the total voting rights attached to all Disinterested Shares, provided that:
 - (i) the Scheme is approved (by way of poll) by at least 75% of the votes attaching to the Scheme Shares held by Independent Shareholders that are cast either in person or by proxy at the Court Meeting; and

- (ii) the number of votes cast (by way of poll) against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all the Scheme Shares held by the Independent Shareholders;
- (b) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting, in person or by proxy, at the General Meeting (and otherwise in accordance with the procedural requirements of section 564 of the Companies Ordinance) to approve and give effect to the Scheme, including the approval of the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares and the issue to the Offeror of such number of new Shares as is equal to the number of the Scheme Shares cancelled;
- (c) the sanction of the Scheme (with or without modifications) and the confirmation of the reduction of the issued share capital of the Company involved in the Scheme by the High Court and the registration of a copy of the order of the High Court by the Registrar of Companies under Part 2 of the Companies Ordinance;
- (d) the compliance with the procedural requirements of sections 230 and 231 and sections 673 and 674 of the Companies Ordinance in relation to the reduction of the issued share capital of the Company and the Scheme respectively;
- (e) all Authorisations (if any) in connection with the Proposal or its implementation in accordance with its terms having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification;
- (f) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material conditions or obligations with respect to the Proposal or its implementation in accordance with its terms);
- (g) all necessary legal or regulatory obligations in all relevant jurisdictions having been complied with and no legal or regulatory requirement having been imposed which is not expressly provided for, or is in addition to the requirements expressly provided for, in the relevant laws or regulations in connection with the Proposal or its implementation in accordance with its terms;
- (h) the implementation of the Proposal not resulting in, and no event or circumstance having occurred or arisen which would or might be expected to result in:
 - (i) any indebtedness (actual or contingent) of any member of the Group being or becoming repayable (or capable of being declared repayable) immediately or prior to its stated maturity or repayment date;
 - (ii) any agreement, arrangement, licence, permit or instrument to which any member of the Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject (or any of the rights, liabilities, obligations or interests of any member of the Group thereunder) being terminated or adversely modified (or any

material obligation or liability on the part of any member of the Group arising in relation thereto); or

- (iii) the creation or enforcement of any security interest over the whole or any part of the business, property or assets of any member of the Group or any such security (whenever arising) becoming enforceable,

in each case, which is material in the context of the Group as a whole or in the context of the Proposal or its implementation in accordance with its terms; and

- (i) since the date of this joint announcement:
 - (i) there having been no adverse change in the business, assets, financial or trading, positions, profits or prospects of any member of the Group which is material in the context of the Group taken as a whole or in the context of the Proposal; and
 - (ii) there not having been instituted, threatened in writing or remaining outstanding any litigation, arbitration, other proceedings or other dispute resolution process to which any such member is a party (whether as plaintiff, defendant or otherwise) and no investigation by any government, quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, instituted or remaining outstanding, in each case, which is material in the context of the Group taken as a whole or in the context of the Proposal or its implementation in accordance with its terms.

The Offeror reserves the right to waive all or any of the above Conditions, either in whole or in respect of any particular matter, except for Conditions (a) to (d). The Company does not have the right to waive any of the Conditions. All of the Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and the High Court may direct), failing which the Proposal will lapse. If the Scheme is withdrawn, not approved or lapses, the listing of the Shares on the Stock Exchange will not be withdrawn. Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal if the circumstances which give rise to a right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal.

With reference to the Condition in paragraph (e), as at the date of this joint announcement, the Offeror is not aware of any requirement for such Authorisations other than those set out in the Conditions in paragraphs (a) to (d).

With reference to the Condition in paragraph (f), as at the date of this joint announcement, the Offeror is not aware of any such action, proceeding, suit, investigation, statute, regulation, demand or order.

With reference to the Condition in paragraph (g), as at the date of this joint announcement, the Offeror is not aware of any such non-compliance or regulatory requirement other than those set out in the Conditions in paragraphs (a) to (d).

With reference to the Condition in paragraph (h), as at the date of this joint announcement, the Offeror is not aware of any such event or circumstance.

If approved, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

Shareholders and potential investors of the Company should be aware that the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal may or may not be implemented. Shareholders and potential investors of the Company should therefore exercise caution when dealing in securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

ARRANGEMENTS MATERIAL TO THE PROPOSAL

As at the date of this joint announcement:

- (a) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Shares which might be material to the Proposal;
- (b) there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which it may or may not invoke or seek to invoke a condition to the Proposal; and
- (c) neither the Offeror nor any of the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this joint announcement:

- (a) the issued share capital of the Company comprises 1,624,000,000 Shares;
- (b) the Offeror owns, controls or has direction over 1,183,838,723 Shares, representing approximately 72.9% of the issued share capital of the Company;
- (c) Mr. Douglas C. K. Woo, an Offeror Concert Party (being the son of Mr. Woo Kwong Ching Peter, the settlor of the trust of which HSBC Trustee (C.I.) Limited, an indirect holding company of the Offeror, is the trustee), owns, controls or has direction over 33,208,000 Shares, representing approximately 2.0% of the issued share capital of the Company;
- (d) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror or Offeror Concert Parties;
- (e) neither the Offeror nor the Offeror Concert Parties has entered into any outstanding derivative in respect of the securities in the Company; and
- (f) neither the Offeror nor the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

As at the date of this joint announcement, the Scheme Shares, comprising 440,161,277 Shares, represent approximately 27.1% of the issued Shares.

The table below sets out the shareholding structure of the Company as at the date of this joint announcement and immediately upon the Scheme becoming effective (assuming no new Shares will be issued prior thereto).

Shareholder	As at the date of this joint announcement		Immediately upon the Scheme becoming effective	
	Number of Shares	Approximate % of the issued share capital of the Company	Number of Shares	Approximate % of the issued share capital of the Company
Offeror	1,183,838,723	72.90	1,624,000,000	100.00
Mr. Douglas C. K. Woo, an Offeror Concert Party	33,208,000	2.04	-	-
<i>Sub-total:</i> Offeror and Offeror Concert Parties	1,217,046,723	74.94	1,624,000,000	100.00
Independent Shareholders	406,953,277	25.06	-	-
Total	1,624,000,000	100.00	1,624,000,000	100.00

As at the date of this joint announcement, the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its issued share capital of 1,624,000,000 Shares.

As at the date of this joint announcement, the Offeror beneficially owns or controls 1,183,838,723 Shares, representing approximately 72.9% of the issued share capital of the Company. Such Shares will not form part of the Scheme Shares and will not be voted at the Court Meeting and will not be cancelled upon the Scheme becoming effective.

As at the date of this joint announcement, Mr. Douglas C. K. Woo, an Offeror Concert Party (being the son of Mr. Woo Kwong Ching Peter, the settlor of the trust of which HSBC Trustee (C.I.) Limited, an indirect holding company of the Offeror, is the trustee), was interested in 33,208,000 Shares (representing approximately 2.0% of the issued share capital of the Company). Such Shares will form part of the Scheme Shares but the relevant Offeror Concert Party will not vote on the Scheme at the Court Meeting.

All Shareholders will be entitled to vote on the special resolutions to be proposed at the General Meeting to approve and give effect to the reduction of capital and the implementation of the Scheme. The Offeror has indicated that, if the Scheme is approved at the Court Meeting, the Offeror will vote in favour of the special resolution(s) to be proposed at the General Meeting.

Upon the Scheme becoming effective, the Offeror will hold 100% of the issued share capital of the Company.

FINANCIAL ADVISER TO THE OFFEROR, INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Offeror has appointed Somerley Capital Limited as its financial adviser in connection with the Proposal.

The Independent Board Committee, which comprises the following Independent Non-executive Directors, Mr. Antonio Chan, Mr. Eric K. K. Lo and Mr. T. Y. Ng, who are not interested in the Proposal, has been formed to advise the Independent Shareholders on the Proposal and has approved the appointment of the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the Proposal. The recommendation of the Independent Board Committee as to whether the Proposal is or is not fair and reasonable, and as to voting by the Independent Shareholders at the Court Meeting and the General Meeting, will be set out in the Scheme Document.

Mr. Stephen T. H. Ng is not a member of the Independent Board Committee as he is deputy chairman of Wheelock and Company Limited ("**Wheelock**"), chairman and managing director of The Wharf (Holdings) Limited ("**Wharf**") and Wharf Real Estate Investment Company Limited ("**Wharf REIC**"), chairman and executive director of Harbour Centre Development Limited and a director of certain other companies which are associates of the Offeror.

Mr. Paul Y. C. Tsui is not a member of the Independent Board Committee as he is an executive director and group chief financial officer of Wheelock, vice chairman, executive director and group chief financial officer of Wharf, vice chairman and executive director of Wharf REIC and a director of certain other companies which are associates of the Offeror.

The Company has appointed Halcyon Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Proposal, and such appointment has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

REASONS FOR AND BENEFITS OF THE PROPOSAL

The trading environment for retailers has been challenging in recent years. The Company has recorded significant declines in revenue and losses in four consecutive financial years despite various initiatives of management to enhance the financial performance of the Company.

This financial year, on top of soft economic performance, the outbreak of social unrest has seriously impacted inbound tourism and customer sentiment in Hong Kong. The Group recorded a 11% drop in revenue in the first quarter compared to a year earlier and a 26% drop in the second quarter. The unaudited net loss for the six months ended 30 September 2019 more than doubled to HK\$55 million compared to a year earlier. Cash and cash equivalents decreased by a further HK\$82 million in 6 months from HK\$349 million as at 31 March 2019 to HK\$267 million as at 30 September 2019. Net asset value attributable to Shareholders decreased to HK\$0.2335 per Share as at 30 September 2019.

October and November spelt deeper trouble for retailers in Hong Kong. The Group's cash and cash equivalents dropped further by HK\$32 million in 2 months to HK\$235 million as at 30 November 2019. The Group will continue to focus on improving shop productivity through maximising gross margins and full price sell-through and exercising stringent control on overheads. However, in addition to social unrest in Hong Kong, the slowing down of the Chinese economy, potential weakening of renminbi, high rental levels relative to revenue and the China-U.S. trade disputes cast doubt on the recovery of the Group's retail markets in the near term.

Due to consecutive years of losses, the last dividend paid by the Company was in August 2015. Since then, the Company's share price has also declined by nearly 65% and general trading illiquidity in the Company's shares may not have allowed Shareholders to realise their investment at a reasonable price or in reasonable volume. In the circumstances, the Offeror considers it is appropriate to offer Scheme Shareholders an opportunity to realise their investment.

The Company has not utilised its listed status for any equity fund raising activities in recent years and the listing is not expected to provide any benefit to the Company in the near term. To the disadvantage of Shareholders, the liquidity of the Shares has been at a relatively low level over a long period of time. The average daily trading volume of Shares for the 6 months up to and including the Last Trading Date was approximately 128,000 Shares per day, representing only approximately 0.008% of the issued shares as at the date of this joint announcement. The low trading liquidity of the Shares makes it difficult for Shareholders to execute on-market disposals without adversely affecting the price of the Shares.

The Directors have been striving to reduce corporate costs. The listing of the Company involves administrative, compliance and other listing-related costs and expenses being incurred. If the Proposal is successful, these costs and expenses would be eliminated.

The Offeror is putting forward a proposal to privatise the Company at a cash price of HK\$0.280 per Scheme Share. The Cancellation Price represents a premium of approximately 82.17% and 32.20% over the average closing prices of approximately HK\$0.1537 and HK\$0.2118 per Share for the 30 and 180 consecutive trading days up to and including the Last Trading Date, respectively. The Offeror believes the Proposal will provide the Scheme Shareholders with an opportunity to exit and realise their entire investment in the Company at a significant premium over recent trading prices and over the net assets at 30 September 2019 at a time when recent trading turnover has been very low.

INTENTION OF THE OFFEROR WITH REGARD TO THE COMPANY

It is the intention of the Offeror for the Group to maintain its existing business upon the privatisation of the Company. As stated in the Company's latest interim report, the Group will take a cautious approach to stock purchasing and business expansion. The Offeror has no plan to introduce any material changes to the business and/or assets of the Group, to redeploy its fixed assets or to discontinue the employment of employees of the Group as a result of the Proposal.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands and is an investment holding company. The Offeror is indirectly wholly owned by HSBC Trustee (C.I.) Limited, the trustee of a trust of which Mr. Woo Kwong Ching Peter is the settlor.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all the Scheme Shares will be cancelled. Share certificates for the Shares held by the Scheme Shareholders will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, subject to the Scheme becoming effective, with effect from the Effective Date.

The Scheme Shareholders will be notified by way of an announcement of the exact dates of the last day for dealing in the Shares and the day on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective. A detailed timetable of the implementation of the Proposal will be included in the Scheme Document.

The Independent Shareholders will be notified of the exact dates of the Court Meeting and the General Meeting to approve and give effect to the Scheme, and the dates on which the Scheme and the withdrawal of the listing of the Shares on the Stock Exchange will become effective.

Subject to the requirements of the Takeovers Code, the Proposal will lapse if any of the Conditions has not been fulfilled or waived, as applicable, on or before the Long Stop Date (or such later date as the Offeror and the Company may agree or, to the extent applicable, as the Executive may consent and/or the High Court may direct). If the Scheme is not approved or the Proposal otherwise lapses, the listing of the Shares on the Stock Exchange will not be withdrawn.

If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with it in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, announce an offer or possible offer for the Company, except with the consent of the Executive. The Offeror has no intention to seek such consent.

OVERSEAS SHAREHOLDERS

The making and implementation of the Proposal to holders of Scheme Shares who are not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Any Scheme Shareholders who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

It is the responsibility of any overseas holders of Scheme Shares wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with the necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction.

Any acceptance by the holders of Scheme Shares will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Somerley Capital Limited, the financial adviser to the Offeror, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the receipt of the Scheme Document by overseas holders of Scheme Shares is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document will not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such holders of Scheme Shares. If any such waiver is granted by the Executive, the Offeror and the Company reserve the right to make arrangements in respect of Shareholders not resident in Hong Kong in relation to the Proposal. Such arrangements may include notifying any matter in connection with the Scheme or Proposal to the Shareholders having a registered overseas address by announcement or by advertisement in a newspaper which may or may not be circulated in the jurisdiction within which such Shareholders are resident. The notice will be deemed to have been sufficiently given despite any failure by such Shareholders to receive or see that notice.

TAXATION ADVICE

Holders of Scheme Shares are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Proposal. It is emphasised that none of the Offeror, the Company, Somerley Capital Limited or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of the implementation of the Proposal.

SCHEME DOCUMENT

A Scheme Document including, among other things, further details of the Proposal, an explanatory statement, the expected timetable relating to the Proposal, the recommendations of the Independent Board Committee, the letter of advice from the Independent Financial Adviser and notices of the Court Meeting and the General Meeting will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code and applicable laws and regulations.

The Scheme Document will contain important information and the holders of Scheme Shares are urged to read the Scheme Document carefully before casting any vote at (or providing any proxy in respect of) the Court Meeting or the General Meeting .

DISCLOSURE OF DEALINGS

Associates (as defined in the Takeovers Code) of the Offeror and the Company are reminded to disclose their dealings in Shares. In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Associates”	has the meaning given in the Takeovers Code
“Authorisations”	all necessary notifications, registrations, applications, filings, authorisations, orders, recognitions, grants, waivers and consents, licences, confirmations, clearances, permissions, no-action relief, exemption relief orders and approvals (including without limitation any which are required or desirable under or in connection with any applicable laws and regulations or any licenses, permits or contractual obligations of the Company), and all appropriate waiting periods (including extensions thereof), in connection with the Proposal
“Cancellation Price”	a price of HK\$0.280 per Scheme Share payable in cash to the Scheme Shareholders pursuant to the Scheme
“Companies Ordinance”	the Companies Ordinance (Chapter 622) of the Laws of Hong Kong
“Company”	Joyce Boutique Group Limited, a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange with Stock Code 647
“Condition(s)”	the condition(s) of the Proposal, as set out in the section of this joint announcement above headed “Conditions of the Proposal”
“Court Meeting”	a meeting of the holders of Scheme Shares to be convened at the direction of the High Court, at which the Scheme will be voted upon
“Disinterested Shares”	has the meaning ascribed to it in section 674(3) of the Companies Ordinance
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Ordinance
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“General Meeting”	the general meeting of the Company to be convened and to be held immediately following the Court Meeting to consider the capital reduction in connection with the Scheme
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“High Court”	the High Court of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company formed to advise the Independent Shareholders on the Proposal
“Independent Financial Adviser”	Halcyon Capital Limited, a licensed corporation registered under the SFO to conduct Type 6 (advising on corporate finance) regulated activity as defined in the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee on the Proposal
“Independent Shareholders”	Shareholders other than the Offeror and any Offeror Concert Parties
“Last Trading Date”	6 December 2019, being the last full trading day prior to the suspension of trading of Shares pending the issue of this joint announcement
“Long Stop Date”	30 September 2020
“Mr. Douglas C. K. Woo”	Mr. WOO Chun Kuen Douglas (吳宗權)
“Offeror”	JoyBo International Limited, a company established under the laws of the British Virgin Islands which is indirectly wholly owned by HSBC Trustee (C.I.) Limited, the trustee of a trust of which Mr. Woo Kwong Ching Peter is the settlor
“Offeror Concert Party(ies)”	persons acting in concert with the Offeror, including but not limited to Mr. Douglas C. K. Woo
“PRC”	the People’s Republic of China
“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme as described in this joint announcement
“Registrar of Companies”	the Registrar of Companies appointed under the Companies Ordinance
“Scheme”	a scheme of arrangement to be proposed under section 673 of the Companies Ordinance for the implementation of the Proposal

“Scheme Document”	the scheme document to be issued by the Company to the Shareholders in relation to the Scheme
“Scheme Record Date”	the appropriate record date to be announced for determining entitlements under the Scheme
“Scheme Shareholders”	registered holders of the Scheme Shares as at the Scheme Record Date
“Scheme Shares”	Shares, other than those held by the Offeror
“Shares”	ordinary shares in the share capital of the Company
“Shareholders”	holders of Shares
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

By order of the board of
Joyce Boutique Group Limited

Kevin C. Y. Hui

Company Secretary

By order of the board of
JoyBo International Limited

Chan Kai Cheuk

Director

Hong Kong, 12 December 2019

As at the date of this joint announcement, the board of Directors of the Company comprises Mr. Stephen T. H. Ng 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.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the directors of the Offeror are Mr. Chan Kai Cheuk, Mr. Tam Chi Wai and Mr. Yu Ka Kai.

The directors of the Offeror and Mr. Woo Kwong Ching Peter jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.