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**If you have sold or transferred** all your shares in Bonjour Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**If you are in doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

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**BONJOUR**

**Bonjour Holdings Limited**

**卓悦控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 653)**

**MAJOR TRANSACTION**

**IN RELATION TO THE ACQUISITION OF A PROPERTY  
BY  
APEX FRAME LIMITED**

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15 October 2014

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## DEFINITIONS

*In this circular, unless the contents otherwise requires, the following expressions have the meanings as set out below :*

“Acquisition”	the acquisition of the Property by the Purchaser.
“Announcement”	the Company’s announcement dated 25 June 2014 in relation to the Acquisition.
“Board”	the board of Directors.
“Company”	Bonjour Holdings Limited, a company incorporated in the Cayman Islands, the issued shares of which are listed on the Main Board of the Stock Exchange.
“Completion”	Completion of the Acquisition pursuant to the terms of the Formal Sale and Purchase Agreement.
“Director(s)”	director(s) of the Company.
“EGM”	the extraordinary general meeting of the Company to be convened to approve, amongst other things, the Formal Sale and Purchase Agreement and the Acquisition.
“Formal Sale and Purchase Agreement”	the agreement for sale and purchase of the property dated 25 June 2014 entered into between Apex Frame Limited as purchaser and Warrington and Company Limited as Vendor.
“Group”	the Company and its subsidiaries.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China.
“Independent Third Party(ies)”	third parties independent of the Company and of connected persons (as defined in the Listing Rules) of the Company.
“Latest Practicable Date”	30 September 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange.
“Percentage Ratios”	the meaning ascribed thereto in Chapter 14 of the Listing Rules.

## DEFINITIONS

“Property”	the property owned by the Vendor at Nos.36-42 and Nos.44-50 Wang Wo Tsai Street, Tsuen Wan, New Territories, Hong Kong (Lot Nos.458 and 488 in D.D.443).
“Purchase Price”	the purchase price of HK\$490,000,000.00 for the acquisition of the Property pursuant to the Formal Sale and Purchase Agreement.
“Purchaser”	Apex Frame Limited, a wholly-owned subsidiary of Bonjour Holdings Limited.
“Share(s)”	the ordinary shares(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the ordinary shares of the Company of HK\$0.01 each in the share capital of the Company.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.
“Vendor”	Warrington and Company Limited, a company incorporated in Hong Kong.
“%”	per cent.

LETTER FROM THE BOARD



BONJOUR

**Bonjour Holdings Limited**

**卓悦控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 653)**

*Executive Directors:*

Dr. Ip Chun Heng, Wilson  
Ms. Chung Pui Wan  
Mr. Yip Kwok Li

*Independent non-executive Directors:*

Mr. Wong Chi Wai  
Dr. Chow Ho Ming  
Mr. Lo Hang Fong

*Registered office:*

Clifton House,  
75 Fort Street,  
George Town,  
Grand Cayman,  
Cayman Islands.

*Head Office and principal place of business:*

10/F, Bonjour Tower, 3 Yuk Yat Street,  
To Kwa Wan, Hong Kong.

15 October 2014

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION**

**IN RELATION TO THE ACQUISITION OF A PROPERTY**

**INTRODUCTION**

The Board is pleased to announce that the Purchaser, a wholly-owned subsidiary of the Company, has entered into a Formal Sale and Purchase Agreement with the Vendor, an Independent Third Party, on 25 June 2014, pursuant to which, amongst other things, the Purchaser agreed to acquire, and the Vendor agreed to sell, the Property at a Purchase Price of HK\$490,000,000.00.

The purpose of this circular is to provide you with the details regarding the Acquisition.

## LETTER FROM THE BOARD

### PRINCIPAL TERMS OF THE FORMAL SALE AND PURCHASE AGREEMENT

**Date**

25 June 2014

**Parties**

(a) The Vendor: Warrington and Company Limited

(b) The Purchaser: Apex Frame Limited

The principal business activity of the Vendor is a paper manufacturer and the Property has been held by the Vendor for self use and for rental income. The Purchaser is a wholly-owned subsidiary of the Company.

There were no arrangements between the Company and Vendor in relation to the Property prior to the Formal Sale and Purchase Agreement.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are Independent Third Parties.

**Assets to be Acquired**

Pursuant to the terms of the Formal Sale and Purchase Agreement, the Purchaser will acquire the Property from the Vendor at a Purchase Price of HK\$490,000,000.00. An initial deposit of HK\$49,000,000.00 was paid by the Purchaser upon signing of the Formal Sale and Purchase Agreement. The balance of the Purchase Price of the Property, being HK\$441,000,000.00 will be paid upon Completion, which is scheduled to take place on or before 5:00p.m. on 31 October 2014. The Acquisition will be funded by the internal resources of the Group and from the banking facilities by way of monthly instalment loan to the extent of 40% of the Purchase Price of the Property which require securities of a first legal charge over the Property and separate corporate guarantees by the Company and by Bonjour Cosmetic Wholesale Center Limited, the Purchaser, Wealthy Train Limited and Sheen Honour International Limited, all are wholly owned subsidiaries of the Company.

The Purchase Price was determined after arm's length negotiations after taking into account the relevant factors including market value of the comparable properties, location of the Property, the existing rental income etc.

The Directors, are of view that the Purchase Price is fair and reasonable.

The Property is preliminarily valued at HK\$517,000,000.00 as at 17 June 2014 by Ascent Partners Valuation Service Limited, an independent professional valuer. A valuation report of the Property performed by Ascent Partners Valuation Service Limited is set out in Appendix IV to this circular.

## LETTER FROM THE BOARD

The Property is currently leased by the Vendors to a number of tenants. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the tenants are all Independent Third Parties. Details of the tenancies are in Appendix II to this circular.

### **Conditions Precedent**

The Acquisition is conditional upon, among others, the passing of an ordinary resolution by the Company's Shareholders at a general meeting to be convened and held for the necessary resolution to approve the Formal Sale and Purchase Agreement and the transactions contemplated thereunder.

### **Completion**

Completion of the Acquisition shall take place on or before 5:00p.m. on 31 October 2014.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Group is principally engaged in the retail and wholesale of brand name beauty and health-care products and the operation of beauty and health salons in Hong Kong, Macau and the PRC.

The Property is situate at Nos.36-42 and Nos.44-50 Wang Wo Tsai Street, Tsuen Wan, New Territories, Hong Kong (Lot Nos.458 and 488 in D.D.443) with high accessibility.

The total gross floor area of the Property is about 223,804 square feet. The Property is currently leased to various tenants at monthly rentals and occupied by the Vendor for its own use. The Company will hold the Property through its subsidiary primarily for self use by providing spaces for main offices and storage for the Group. The Directors are of the view that the Property will benefit the Group so that better central management and logistics can be achieved for the Group.

## **FINANCIAL EFFECTS OF THE ACQUISITION**

### **Earnings**

The Property is currently subject to a number of tenancy agreements. The Property is deriving rental income from these tenants and therefore the Acquisition will have positive effects on the earnings of the Group, at least in the short term right after the completion. Direct expenses relating to the Acquisition are disclosed in Appendix II to this circular.

Based on the information provided by the Vendor, the total revenue presently generated from the leasing of the Property, as at Latest Practicable Date, is HK\$755,900.00 per month as disclosed in Appendix II. The said monthly rental is calculated by adding the monthly rental incomes of 83 subsisting tenants.

## LETTER FROM THE BOARD

### **Assets and liabilities**

Upon the Completion, the effect of the Acquisition is that, on assets side, the leasehold properties held by the Group will increase; cash reserve will decrease upon settlement of the remaining balance of the Purchase Price of the Acquisition; on liabilities side, other payables will increase to the extent of the transfer of the rental deposits relating to the Property to the Group; bank borrowings will increase by i) a new mortgage loan way of monthly installment to the extent of 40% of the Purchase Price of the Property ii) other banking facilities obtained by the Group for the purpose of the Acquisition. These combined banking facilities as a whole require securities of a first legal charge over the Property and separate corporate guarantees by the Company and by Bonjour Cosmetic Wholesale Center Limited, the Purchaser, Wealthy Train Limited and Sheen Honour International Limited, all are wholly owned subsidiaries of the Company.

### **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable Percentage Ratios (as defined in the Listing Rules) of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction under Rule 14.06(3) of the Listing Rules, and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules. As no Shareholder has any material interest in the Acquisition, no Shareholder is required to abstain from voting if a EGM was to be convened in respect of the resolution to approve the Acquisition. The Company has under Rule 14.44 of the Listing Rules, in lieu of holding a EGM, obtained the written shareholders' approval from a closely allied group of shareholders who together hold more than 50% in nominal value of the securities giving the right to attend and vote at the EGM to approve the Acquisition.

### **Written Shareholders' Approval**

Pursuant to Rule 14.40 of the Listing Rules, the Acquisition is made subject to, among others, the passing of an ordinary resolution by the Company's shareholders at a general meeting to be convened and held for the necessary resolution to approve the Formal Sale and Purchase Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14.44 of the Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written approvals of the Acquisition have been obtained from Promised Return Limited, Dr. Ip Chun Heng, Wilson and his spouse Ms. Chung Pui Wan, the substantial shareholders of the Company with an aggregate interest in 1,957,120,000 shares, representing approximately 57.38% of the issued share capital of the Company as at the date of this announcement. Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan are executive Directors of the Company. Amongst the 1,957,120,000 shares, i) 1,839,710,400 shares are held by Promised Return Limited, which is wholly owned by Deco City Limited. Deco City Limited is wholly owned by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan equally; ii) 52,800,000 shares are held by Dr. Ip Chun Heng, Wilson; iii) 52,800,000 shares are held by Ms. Chung Pui Wan; and iv) 11,809,600 shares are held jointly by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan. Promised Return Limited, Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan are therefore a "closely allied group of shareholders" for the purpose of Listing Rules.

## LETTER FROM THE BOARD

### INFORMATION OF THE GROUP AND THE PURCHASER

The Group is principally engaged in the retail and wholesale of brand name beauty and health-care products and the operation of beauty and health salons in Hong Kong, Macau and the PRC.

The Purchaser is a wholly-owned subsidiary of the Company.

### RECOMMENDATION

The Board considers that the Formal Sale and Purchase Agreement has been entered into after arm's length negotiation and the terms of the Formal Sale and Purchase Agreement are fair and reasonable and the entering into of the Formal Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution if the Company were to convene a general meeting to approve the Formal Sale and Purchase Agreement and the transaction contemplated thereunder.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of  
**Bonjour Holdings Limited**  
**Ip Chun Heng, Wilson**  
*Chairman*

## 1. FINANCIAL SUMMARY OF THE GROUP

The published audited consolidated financial statements of the Group for the years ended 31 December 2011, 2012 and 2013 are disclosed in the annual reports of the Company for the years ended 31 December 2011, 2012 and 2013. The published unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2014 are disclosed in the 2014 interim report of the Company for the six months ended 30 June 2014. They can be accessed on the website of the Company ([corp.bonjourhk.com](http://corp.bonjourhk.com)) and the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)).

## 2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the expected completion of the Acquisition and the present available financial resources, its expected internally generated funds and the present available banking facilities of the Group, the Group has sufficient working capital for the next 12 months from the date of this circular in the absence of unforeseen circumstances.

## 3. INDEBTEDNESS

At the close of Business on 31 August 2014, the Group had total outstanding borrowings of approximately HK\$26,275,000. Details of the total borrowings are summarised as below.

	<i>HK\$'000</i>
Unsecured bank loans	10,731
Unsecured trade finance loans	13,770
Finance lease payables	1,774
	<hr/>
Total borrowings	<u>26,275</u>

The bank loans and trade finance loans were guaranteed by the company and at the close of business on 31 August 2014 the related interest payable of approximately HK\$8,000.

At the close of business on 31 August 2014, the Group had contingent liabilities of HK\$25,103,000 comprising:

- Guarantees given for rental payment to landlords of approximately HK\$8,426,000;
- Guarantees given for instalment and purchase to a merchant bank and vendors of approximately HK\$13,460,000; and
- Letter of credit issued to overseas vendors for import purchase of approximately HK\$3,217,000.

At the close of business on 31 August 2014, certain banking facilities were secured by the bank deposits of the Group of approximately HK\$18,878,000.

Apart from as disclosed above and intra-group liabilities and normal trade payables in the ordinary course of the business, the Group did not have at the close of business on 31 August 2014 any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

#### **4. MATERIAL CHANGE**

On 20 August 2014, the Group has entered into an agreement with Town Health International Medical Group Limited ("Town Health"), a company listed on the Stock Exchange of Hong Kong Limited. Under the agreement, subject to certain conditions precedent, upon completion, the Group will become the second largest shareholders of Town Health and Town Health will own 100% of the Group's salon businesses. Management of the Group expected that the consolidation of the Group's intensive experience in the salon operations with the medical expertise of Town Health will surely bring synergy effects to the original salon businesses to meet the incoming demand to medical treatment. As a shareholder of Town Health, the Group can enjoy the expected fast growing new salon business. For details of the disposal, please refer to the Group's announcement dated 20 August 2014. Upon completion, the Group shall not hold any equity interest in the disposal companies, where these will cease to be a subsidiary of the Group and its assets and liabilities and its profits and losses will no longer be consolidated into the consolidated financial statements of the Company. It is expected that the Group shall record an unaudited accounting gain of approximately HK\$420 million from the transaction, being the difference between the consideration and (i) the estimated unaudited consolidated net asset value of the disposal companies recorded in the Group's accounts at completion, and (ii) the relevant reserves. The actual gain or loss is subject to final audit to be performed by the Company's auditors.

Apart from as disclosed above, the Directors are not aware of any material adverse change to the financial or trading position of the Group since 31 December 2013, being the date to which the latest published audited financial statements of the Group were made.

#### **5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

As disclosed in the interim report of the Company for the six months ended 30 June 2014, Hong Kong retail market is expected to be more challenging in the second half of 2014. It is a challenge for the whole retail sector to sustain the continuous growth from previous years. The Group will stay sensitive and responsive to the changing market conditions and remain cautious on the operating strategies. The Group is confident in sustaining growth adhering the aim to enhance the Group's gross profit margin, improve operational efficiency and enhance scalability.

Regarding the China market, the Group might benefit from the amendment of the general consumption tax rate. In June 2014, China's Ministry of Finance announced considering a new classification of cosmetics products from which our Group might benefit from some general consumption tax saving with respect to the business development in China. The Group will keep up with changes in the Chinese Government policy and embrace appropriate strategies to achieve long-term growth.

The Online to Offline commerce has been successful in providing information and discounts to users and increasing brand awareness. The Group understands the impacts of online retailing on traditional retailing escalating and has been investing resources to accelerate e-commerce growth and deliver an all-rounded shopping experience by deploying our e-commerce platforms as powerful channels for digital marketing. Though competition is getting more intense, we believe that there is still room for potential growth in e-commerce and will continue to devote ourselves to the development of online retailing business.

Going forward rental cost is expected to remain a challenge to the Group though we are of the view that rental growth is expected to slow down a bit in 2014 second half. Bonjour will maintain prudent in selecting venues for expansion or store relocation based on the market conditions. Our operational strategies and proven past approaches help increase the same store growth rate in addition to gross profit margin. Albeit at a slower market growth pace, consumer sentiment of beauty products and services generally remains positive as these are treated as necessities nowadays.

Furthermore, we will seek mergers and acquisitions opportunities with corporations, identifying firms whose products and services are complementary with the Group. Although the prospect of the Hong Kong retail market is still full of uncertainties, we are confident that we are well positioned with the right strategic moves and would capture exponential growth and bring extra value to stakeholders.

## PROFIT AND LOSS STATEMENT OF THE PROPERTY

In accordance with Rule 14.67(6)(b)(i) of the Listing Rules, a profit and loss statement of the Property is required to be included in this circular on the identifiable income stream in relation to such assets which must be reviewed by the reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records for each of the three financial years ended 31 December 2013 and the half financial year ended 30 June 2014 as set out below (“the Relevant Financial Years”). The Company was provided with a list of subsisting tenancy agreements (the “Subsisting Tenancies”) for the Property. The Company further obtained information from Jones Lane LaSalle (a reputable estate agent/surveyor firm in the real property market) (“JLL”) on the gross rental incomes of the Property for each of the three financial years ended 31 December 2013 and most of the tenancies during that period were already expired. Despite requests made by the Company and their legal adviser in the Property acquisition (the “Legal Adviser”), the Company is unable to gain full access to the underlying books and records or other information of the Property for the preparation of the financial information of the Property for the Relevant Financial Years in strict compliance with the requirement of Rule 14.67(6)(b)(i) of the Listing Rules. The Company has only obtained the above limited information because the Company is not allowed to gain access to the underlying books and records of the Vendor and no further detailed breakdowns of the said financial information has been provided. Further, the Vendor is a private company and their financial information is not available in public domain. Search has also been made from the relevant land registry which does not show any information on the said tenancies. The Company has therefore applied, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, such that the following information be disclosed instead. The financial information of the Property for the Relevant Financial Years has therefore been prepared by the Company solely based on the Subsisting Tenancies and information from JLL. Accordingly, it may not give a true picture of the performance of the Property during the Relevant Financial Years.

	For six months ended 30 June 2014 HK\$	For the year ended 31 December		
		2013 HK\$	2012 HK\$	2011 HK\$
Gross Rental income:	<u>4,434,344.09</u>	<u>9,120,000.00</u>	<u>8,640,000.00</u>	<u>8,400,000.00</u>

*Notes:*

- (1) The gross rental incomes of the Property are derived from the Subsisting Tenancies and the information from JLL which include rental incomes from various tenants for the Relevant Financial Years. The tenure of most of those tenancies were and are for one month to 1 or 2 year(s).

- (2) The company was provided with a list of the Subsisting Tenancies which were inspected and checked by the Legal Adviser who has also prepared a summary of tenancy agreements for gross monthly income at 30 June 2014 and at the Latest Practicable Date as disclosed at the end of this Appendix II (the "Summary"). The Subsisting Tenancies comprise of 86 tenancies and out of which 71 are written tenancies (original copies have already been obtained from the Vendor) with tenure of 1 to 2 year(s), however, 16 of which were already expired and out of which 15 now continue on monthly basis orally whereas one moved out on 11 September 2014. Another 15 tenancies are oral monthly tenancies, however, 2 of which were expired respectively on 30 June 2014 and 25 August 2014. 10 of the said oral monthly tenancies are for car-parks. The oral monthly tenancies are with unknown commencement dates. In such circumstances, on 30 June 2014, there were 19 oral monthly tenancies and 67 written tenancies making a total of 86 and as on the Latest Practicable Date there were 28 oral monthly tenancy and 55 written tenancies making a total of 83 tenancies.
- (3) As on the date ended 30 June 2014 and from paragraph (2) above, it can be seen that the tenure of the Subsisting Tenancies ranges from oral monthly tenancies to written tenancies for a fixed term of 1 to 2 year(s). Some of the Subsisting Tenancies commenced in 2011 and expired in 2012 or 2013 and have since then continued on monthly basis, some commenced in 2012 and expired in 2013 or 2014 and have since then continued on monthly basis, some commenced in 2013 and will expire in 2014 or 2015, particulars thereof are as follows:-
- (i) About 22% (19 out of a total of 86 tenancies as on 30 June 2014) of the Subsisting Tenancies is oral monthly tenancies at a gross monthly rental of HK\$188,400.00,
  - (ii) About 33% (28 out of a total of 86 tenancies as on 30 June 2014) of the Subsisting Tenancies for one year at a gross monthly rental of HK\$268,500.00 with the earliest commencing on 15 July 2013;
  - (iii) About 45% (39 out of a total of 86 tenancies as on 30 June 2014) of the Subsisting Tenancies for two years at a gross monthly rental of HK\$382,650.00 with the earliest commencing on 24 December 2011;
- (4) For the half financial year ended 30 June 2014, about 50% of the Property is occupied by the subsisting tenants, 30% is used by the Vendor and 20% is vacant. The gross monthly rental income at 30 June 2014 is approximately HK\$839,550.00, and the gross rental income for the half financial year ended 30 June 2014 is HK\$4,434,344.09. For more details, please refer to the Summary.
- (5) Since the estimation of the gross rental income for half financial year ended 30 June 2014 information in paragraph (4) above is based solely on the Subsisting Tenancies on the assumption that for those 15 oral tenancies, they are valid for the period from January to June 2014; for those 3 expired written tenancies during 1 January to 30 June 2014 we assume that they are continued on monthly basis orally. As a result, it may not therefore give a true picture of the gross rental income of the Property for the half financial year ended 30 June 2014.

- (6) According to the Subsisting Tenancies (written tenancies only), the gross rental income of the Property derived therefrom and attributable to the Relevant Financial Years are set out below:

	For six	For the year ended 31 December		
	months ended	2013	2012	2011
	30 June 2014	2013	2012	2011
	HK\$	HK\$	HK\$	HK\$
Gross Rental income:	<u>3,381,734.41*</u>	<u>3,726,022.58</u>	<u>279,500.00</u>	<u>477.72</u>

\* For more details, please refer to the Summary.

- (7) In view of the above situation and with the assistance of JLL, the Company has obtained information of the gross rental incomes for each of the three financial years ended 31 December 2013 which are as follows:-
- (i) From JLL, 50% of the Property was occupied by tenants for the financial year ended 31 December 2011 and the other 50% was used by the Vendor. The gross monthly income for the said period was about HK\$700,000.00. And the annualized gross rental income so derived is approximately HK\$8,400,000.00.
  - (ii) From JLL, 50% of the Property was occupied by tenants for the financial year ended 31 December 2012, the other 50% was used by the Vendor. The gross monthly income for the said period was about HK\$720,000.00. And the annualized gross rental income so derived is approximately HK\$8,640,000.00.
  - (iii) From JLL, 50% of the Property was occupied by tenants for the financial year ended 31 December 2013, the other 30% was used by the Vendor and 20% vacant. The gross monthly income for the said period was about HK\$760,000.00. And the annualized gross rental income so derived is approximately HK\$9,120,000.00.

- (8) JLL has also been engaged by the Vendor in the past years as its estate agent. The gross monthly rental incomes and the annualized gross rental incomes information in paragraph (8) above for each of the three financial years ended 31 December 2013 was given directly by the Vendor to JLL orally. However, no particulars of each tenancy during that period were provided. The Company will rely on the expertise of JLL as to the accuracy of those information. As a result of lack of written documents, these still may not give a true picture of the gross income of the Property for each of the three financial years ended 31 December 2013.
- (9) The rates paid on the Property were borne by the Vendor which are estimated to be approximately HK\$487,050, HK\$487,050, HK\$541,800 and HK\$297,675 for the years ended 31 December 2011, 31 December 2012, 31 December 2013 and six months ended 30 June 2014 respectively. Government rent of the Property were borne by the Vendor, they are estimated to be approximately HK\$292,230, HK\$292,230, HK\$325,080 and HK\$178,605 for the years ended 31 December 2011, 31 December 2012, 31 December 2013 and six months ended 30 June 2014 respectively. The above figures for the years 2012, 2013 and period 2014 were obtained by the Company through JLL from the government website which, however, did not provide information for the year 2011. Since there was no material difference between the year 2011 and 2012, the figures of the government rates and rent for year 2012 were adopted for the year 2011.
- (10) The public utilities including water, electricity charges have been shared between the Vendor and the various tenants. There are no management fees. The maintenance expenses, if any, is borne by the Vendor.
- (11) Based on the terms of the Subsisting Tenancies and the experience of the Company's management, the Company has estimated that the expenses for the public utilities and maintenance costs of the Property which are borne by the Vendor is minimal. Accordingly, no such expenses were included in the above financial information.
- (12) The insurance expenses in the preceding three and a half years will be calculated by way of using the quotations from the HSBC on 13 August 2014. The annual material damage insurance expenses for the Property are HK\$87,036 and the annual public liability insurance for the Property are HK\$13,500 which amounts to HK\$100,536 each year. According to the experience of the Company, there would not be much material difference of the above figures for the years 2011, 2012 and 2013 and the figure is adopted for those years.
- (13) Based on the statutory tax rate of Hong Kong, the total profits tax paid and payable in relation to the Property for the Relevant Financial Years is estimated to be approximately HK\$1,240,830, HK\$1,280,430, HK\$1,345,176 and HK\$726,525 for the years ended 31 December 2011, 2012, 2013 and six months ended 30 June 2014 respectively.

- (14) Save for the information that the Company could not obtain from the Vendor, the financial information of the Property set out above is prepared using accounting policies which are materially consistent with those of the Company.
- (15) The following procedures have been undertaken by the auditor of the Company, RSM NELSON WHEELER, in accordance with the Hong Kong Standard on Related Services 4400 “Engagements to Perform Agreed Upon Procedures Regarding Financial information” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), with respect to the rental incomes of the Property for the Relevant Financial Years.

RSM NELSON WHEELER:

- (i) Obtained the rental incomes information for each of the two financial years ended 31 December 2012 through the management of the Company as provided by JLL and obtained the Summary and inspected those of the Subsisting Tenancies which commenced in the years 2011 and 2012 and checked the Summary against the Subsisting Tenancies and the tenure, the monthly rental amount, the respective percentage of the oral monthly tenancies, tenancies for one year and tenancies for two years and also checked their arithmetical accuracy;
- (ii) Obtained the rental incomes information for the financial year ended 31 December 2013 through the management of the Company as provided by JLL and obtained the Summary and inspected those of the Subsisting Tenancies which commenced in the year 2013 and checked the Summary against the Subsisting Tenancies and the tenure, the monthly rental amount, the respective percentage of the oral monthly tenancies, tenancies for one year and tenancies for two years and also checked their arithmetical accuracy;
- (iii) Inspected all the Subsisting Tenancies and obtained the Summary and checked the Summary against the Subsisting Tenancies and the tenure, the monthly rental amount, the respective percentage of the oral monthly tenancies, tenancies for one year and tenancies for two years and obtained the gross monthly rental incomes for the half financial year ended 30 June 2014 in order to calculate the gross rental income for that period.

Because the above procedures do not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements, or Hong Kong Standards on Assurance Engagements issued by the HKICPA. RSM NELSON WHEELER does not express any assurance on the rental income summary or the rental income listing.

- (16) Had RSM NELSON WHEELER performed additional procedures or had RSM NELSON WHEELER performed an assurance engagement on the rental income in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA, other matters might have come to RSM NELSON WHEELER's attention that would have been reported to the Company.
- (17) The directors of the Company are of the views that the omission of a profit and loss statement for the net income stream of the Property in strict compliance with the requirements of Rule 14.67(6)(b)(i) of the Listing Rules and disclosure of the above information instead would not render this circular materially incomplete and misleading or deceptive.

## SUMMARY OF TENANCY AGREEMENTS

Floor (unless stated otherwise)	Units	Tenancy commencement date	Tenancy expiry date	Monthly oral basis	1 Year	2 Years	Written tenancies expired and continued on monthly oral basis	Gross Monthly Rental on 30 June 2014 (HK\$)	Gross Monthly Rental As at Latest Practicable Date (HK\$)	Gross rental income for the six months ended 30 June 2014 (written & oral tenancies) (HK\$)	Gross rental income for the six months ended 30 June 2014 (written tenancies only) (HK\$)
13	1308	16-Dec-13	15-Dec-14		✓			4,000.00	4,000.00	24,000.00	24,000.00
13	1310	1-Jul-13	30-Jun-15			✓		4,000.00	4,000.00	24,000.00	24,000.00
13	1312	16-Dec-13	15-Dec-14		✓			3,500.00	3,500.00	21,000.00	21,000.00
13	1313	1-Jan-13	30-Dec-14			✓		1,900.00	1,900.00	11,400.00	11,400.00
13	1313A	13-Jul-12	12-Jul-14				12-Jul-14	1,900.00	1,900.00	11,400.00	11,400.00
13	1315	15-May-14	14-May-15		✓			2,000.00	2,000.00	3,096.77	3,096.77
13	1316	1-Mar-13	28-Feb-15			✓		2,000.00	2,000.00	12,000.00	12,000.00
13	1318	1-Jun-14	31-May-15		✓			3,300.00	3,300.00	3,300.00	3,300.00
13	1319	24-Dec-11	23-Dec-13				23-Dec-13	2,000.00	2,000.00	12,000.00	0.00
13	1321	1-Sep-13	31-Aug-15			✓		2,000.00	2,000.00	12,000.00	12,000.00
13	1322	23-Apr-14	22-Apr-15		✓			2,000.00	2,000.00	4,533.33	4,533.33
13	1323	21-Mar-12	20-Mar-14				20-Mar-14	2,000.00	*2,000.00	11,470.97	4,761.29
13	1323A	1-May-13	30-Apr-15			✓		2,000.00	2,000.00	12,000.00	12,000.00
13	1325	1-Jan-13	31-Dec-14			✓		5,100.00	5,100.00	30,600.00	30,600.00
13	1326	15-Jan-13	14-Jan-15			✓		4,000.00	4,000.00	24,000.00	24,000.00
13	1328	1-Aug-13	31-Jul-14				31-Jul-14	3,800.00	3,800.00	22,800.00	22,800.00
13	1329	1-Nov-12	31-Oct-14			✓		4,000.00	4,000.00	24,000.00	24,000.00
13	1330	20-Aug-13	19-Aug-14				19-Aug-14	4,000.00	4,000.00	24,000.00	24,000.00
12	12 A	9-Jul-13	8-Jul-15			✓		18,000.00	18,000.00	108,000.00	108,000.00
12	12 B	16-Sep-13	15-Sep-15			✓		18,000.00	18,000.00	108,000.00	108,000.00
12	12 C & D	-	25-Aug-14 (Moved out)	✓				44,400.00		266,400.00	0.00
11	11 A	12-Sep-12	11-Sep-14 (Moved out)			✓		19,250.00		115,500.00	115,500.00
11	11B	9-Jun-14	8-Jun-15		✓			21,000.00	21,000.00	15,400.00	15,400.00
11	11 C1	-	-	✓				6,000.00	6,000.00	36,000.00	0.00
11	11 C2	3-Jun-13	2-Jun-14				2-Jun-14	10,500.00	10,500.00	63,000.00	52,500.00
11	11 D	1-Jan-13	31-Dec-14			✓		20,000.00	20,000.00	120,000.00	120,000.00
9	901	16-Jul-13	15-Jul-14				15-Jul-14	8,000.00	8,000.00	48,000.00	48,000.00
9	902	1-Nov-13	31-Oct-14		✓			9,000.00	9,000.00	54,000.00	54,000.00
9	903	15-Jul-13	14-Jul-14				14-Jul-14	8,000.00	8,000.00	48,000.00	48,000.00
9	904	15-Dec-13	14-Dec-14		✓			10,000.00	10,000.00	60,000.00	60,000.00
9	905	10-Jul-13	9-Jul-15			✓		8,500.00	8,500.00	51,000.00	51,000.00
9	9 C1	1-Apr-14	31-Mar-15		✓			10,500.00	10,500.00	31,500.00	31,500.00
9	9 C2	16-Jun-14	15-Jun-15		✓			10,000.00	10,000.00	5,000.00	5,000.00
9	9 D	-	-	✓				27,500.00	27,500.00	165,000.00	0.00
8	8 A	16-Aug-13	15-Aug-14				15-Aug-14	17,700.00	17,700.00	106,200.00	106,200.00
8	8 B	1-Sep-13	31-Aug-14				31-Aug-14	18,500.00	18,500.00	111,000.00	111,000.00
8	8 C1	20-Apr-14	19-Apr-15		✓			11,000.00	11,000.00	26,033.33	26,033.33
8	8 C2	16-Mar-13	15-Mar-15			✓		8,500.00	8,500.00	51,000.00	51,000.00
8	8 D	1-Feb-13	31-Jan-15			✓		20,000.00	20,000.00	120,000.00	120,000.00
7	7 A	16-Mar-13	15-Mar-15			✓		17,500.00	17,500.00	105,000.00	105,000.00
7	7 B	16-Dec-13	15-Dec-14		✓			15,000.00	15,000.00	90,000.00	90,000.00
7	7 C1	1-Apr-14	31-Mar-15		✓			10,200.00	10,200.00	30,600.00	30,600.00
7	7 C2	1-Apr-13	31-Mar-15			✓		9,900.00	9,900.00	59,400.00	59,400.00
7	7 D	11-Jun-13	10-Jun-15			✓		20,000.00	20,000.00	120,000.00	120,000.00
6	602	1-May-13	30-Apr-15			✓		8,000.00	8,000.00	48,000.00	48,000.00
6	603	10-Apr-14	9-Apr-15		✓			8,500.00	8,500.00	22,950.00	22,950.00
6	604	16-May-13	15-May-15			✓		10,000.00	10,000.00	60,000.00	60,000.00
6	605	16-Apr-14	15-Apr-15		✓			9,500.00	9,500.00	23,750.00	23,750.00
6	606	16-Feb-13	15-Feb-15			✓		8,300.00	8,300.00	49,800.00	49,800.00
6	607	16-Jul-12	15-Jul-14				15-Jul-14	3,800.00	3,800.00	22,800.00	22,800.00
6	608	1-Feb-13	31-Jan-15			✓		4,000.00	4,000.00	24,000.00	24,000.00

## APPENDIX II

UNAUDITED FINANCIAL INFORMATION  
OF THE PROPERTY

Floor (unless stated otherwise)	Units	Tenancy commencement date	Tenancy expiry date	Monthly oral basis	1 Year	2 Years	Written tenancies expired and continued on monthly oral basis	Gross Monthly Rental on 30 June 2014 (HK\$)	Gross Monthly Rental As at Latest Practicable Date (HK\$)	Gross rental income for the six months ended 30 June 2014 (written & oral tenancies) (HK\$)	Gross rental income for the six months ended 30 June 2014 (written tenancies only) (HK\$)
6	610	1-Mar-13	28-Feb-15			✓		4,000.00	4,000.00	24,000.00	24,000.00
6	612	18-Aug-12	17-Aug-14				17-Aug-14	3,600.00	3,600.00	21,600.00	21,600.00
6	613	1-May-14	30-Apr-15		✓			2,000.00	2,000.00	4,000.00	4,000.00
6	613A	21-Nov-12	20-Nov-14			✓		1,900.00	1,900.00	11,400.00	11,400.00
6	615	19-Nov-13	17-Nov-14		✓			2,000.00	2,000.00	12,000.00	12,000.00
6	616	14-Nov-12	13-Nov-14			✓		1,900.00	1,900.00	11,400.00	11,400.00
6	617	21-Sep-12	20-Sep-14				20-Sep-14	1,800.00	1,800.00	10,800.00	10,800.00
6	619	1-Jun-12	31-May-14				31-May-14	**4,000.00	4,000.00	22,500.00	18,500.00
6	620	10-Aug-12	9-Aug-14				9-Aug-14	3,800.00	3,800.00	22,800.00	22,800.00
6	621	9-Oct-12	8-Oct-14			✓		3,800.00	3,800.00	22,800.00	22,800.00
5	501	12-Mar-14	11-Mar-15		✓			7,500.00	7,500.00	27,388.71	27,388.71
5	502	1-Jan-13	31-Dec-14			✓		6,800.00	6,800.00	40,800.00	40,800.00
5	503	16-Nov-12	15-Nov-14			✓		7,500.00	7,500.00	45,000.00	45,000.00
5	504	7-Jul-13	6-Jul-15			✓		8,600.00	8,600.00	51,600.00	51,600.00
5	505	16-Nov-12	15-Oct-14			✓		7,800.00	7,800.00	46,800.00	46,800.00
5	506	4-Jun-14	3-Jun-15		✓			8,000.00	8,000.00	7,200.00	7,200.00
5	5 C1	1-Feb-14	31-Jan-15		✓			11,000.00	11,000.00	55,000.00	55,000.00
5	5 C2	20-May-14	19-May-15		✓			10,000.00	10,000.00	13,870.97	13,870.97
5	5 D	16-May-13	15-May-15			✓		21,000.00	21,000.00	126,000.00	126,000.00
4	4 A & B	1-Apr-14	31-Mar-15		✓			38,500.00	38,500.00	115,500.00	115,500.00
4	4 C	1-Jul-13	30-Jun-15			✓		19,500.00	19,500.00	117,000.00	117,000.00
4	4 D	4-Oct-13	9-Apr-15			✓		22,000.00	22,000.00	132,000.00	132,000.00
2	2 B	-	30-Jun-14 (Moved out)	✓				20,000.00		120,000.00	0.00
G	G West	1-Sep-13	30-Aug-15			✓		48,000.00	48,000.00	288,000.00	288,000.00
G	G East	-	-	✓				32,000.00	32,000.00	192,000.00	0.00
Block A	No. 1 & 3 Carparking Space	-	-	✓				4,500.00	4,500.00	27,000.00	0.00
Block A	2 Carparking Space	-	-	✓				2,500.00	2,500.00	15,000.00	0.00
Block A	4 Carparking Space	-	-	✓				2,000.00	2,000.00	12,000.00	0.00
Block A	5, 6, 7 & 8 Carparking Space	-	-	✓				9,500.00	9,500.00	57,000.00	0.00
Block A	9 Carparking Space	-	-	✓				2,500.00	2,500.00	15,000.00	0.00
Block A	10 Carparking Space	-	-	✓				2,500.00	2,500.00	15,000.00	0.00
Block A	11 Carparking Space	-	-	✓				1,500.00	1,500.00	9,000.00	0.00
Block B	12 Carparking Space	-	-	✓				5,000.00	5,000.00	30,000.00	0.00
Block B	13 Carparking Space	-	-	✓				5,000.00	5,000.00	30,000.00	0.00
Block B	14 Carparking Space	-	-	✓				5,000.00	5,000.00	30,000.00	0.00
Total no. of Subsisting Tenancies				15	22	34	15	839,550.00	755,900.00	4,434,344.09	3,381,734.41
Less: Moved out				-2		-1					
Total no. of Subsisting Tenancies at Latest Practicable Date				13	22	33	15				

\* Monthly rental for written tenancy is HK\$1,800. It increased to HK\$2,000 for oral tenancy since 21 March 2014.

\*\* Monthly rental for written tenancy is HK\$3,700. It increased to HK\$4,000 for oral tenancy since 1 June 2014.

**VALUATION OF THE PROPERTY**

No valuation of the Property at the end of the three and a half years ended 30 June 2014 has been disclosed herein as the Directors were unable to obtain any valuation reports from the Vendor.

*The accompanying unaudited pro forma statement of assets and liabilities of the Group (the "Statement") has been prepared to illustrate the effect of the acquisition of the Property (the "Acquisition"), assuming the transaction had been completed as at 30 June 2014, might have affected the financial position of the Group.*

*The Statement is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2014 as extracted from the interim report of the Group for the six months ended 30 June 2014 after making certain pro forma adjustments resulting from the Acquisition.*

*The Statement is prepared based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Accordingly, as a result of the nature of the Statement, it may not give a true picture of the actual financial position of the Group that would have been attained had the Acquisition actually occurred on 30 June 2014. Furthermore, the Statement does not purport to predict the Group's future financial position.*

*The Statement should be read in conjunction with the financial information of the Group as set out in Appendix I of the Circular and other financial information included elsewhere in the Circular.*

## APPENDIX III

UNAUDITED PRO FORMA STATEMENT OF ASSETS  
AND LIABILITIES OF THE GROUP

	Unaudited assets and liabilities of the Group as at 30 June 2014 HK\$'000 (Unaudited) (Note 1)	Proforma adjustments			Pro forma adjusted total for the Group HK\$'000 (Unaudited)
		HK\$'000 (Note 2)	HK\$'000 (Note 3)	HK\$'000 (Note 4)	
<b>Non-current assets</b>					
Property, plant and equipment	230,025	532,150			762,175
Rental and utility deposits	77,895				77,895
Deferred tax assets	4,153				4,153
	<u>312,073</u>				<u>844,223</u>
<b>Current assets</b>					
Inventories	322,415				322,415
Trade receivables	71,389				71,389
Rental & utility deposits	77,590				77,590
Other receivable, deposits paid and prepayments	105,699	(49,000)			56,699
Current tax assets	5,434				5,434
Pledged bank deposits	19,000				19,000
Bank balance and cash	220,931	(287,150)	165,200	1,540	100,521
	<u>822,458</u>				<u>653,048</u>
<b>Current liabilities</b>					
Trade payables	183,922				183,922
Other payable, deposits received and accrued charges	104,393			1,540	105,933
Deferred revenue	226,725				226,725
Current tax liabilities	42,015				42,015
Current portion of long-term bank borrowings	-	19,600	6,520		26,120
Short-term bank borrowings	18,981		100,000		118,981
Trade finance loans	10,839				10,839
Finance lease payables	608				608
Bank overdrafts	73				73
	<u>587,556</u>				<u>715,216</u>
<b>Net current assets / (liabilities)</b>	<u>234,902</u>				<u>(62,168)</u>
<b>Total assets less current liabilities</b>	<u>546,975</u>				<u>782,055</u>
<b>Non-current liabilities</b>					
Long services payment liabilities	3,006				3,006
Finance lease payables	1,268				1,268
Long-term bank borrowings	-	176,400	58,680		235,080
Deposit Received	2,400				2,400
Deferred tax liabilities	942				942
	<u>7,616</u>				<u>242,696</u>
<b>Net assets</b>	<u>539,359</u>				<u>539,359</u>

*Notes:*

1. The figures are extracted from the unaudited consolidated statement of financial position of the Group as at 30 June 2014 from the interim report of the Group for the six months ended 30 June 2014.
2. According to Hong Kong Accounting Standard 16, Property, Plant and Equipment, the cost of an item of property, plant and equipment should include its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Thus, in calculating the cost of the Property, the adjustment represents the Acquisition of the Property by the Group mainly for its own use at the Purchase Price of HK\$490,000,000 and direct expenses relating to the Acquisition of approximately HK\$42,150,000 including stamp duty of HK\$41,650,000, being 8.5% on the Purchase Price, and legal and professional fees of approximately HK\$500,000. On 25 June 2014, the initial deposit of HK\$49,000,000, being 10% of the Purchase Price was paid to the Vendor and recorded in the prepaid deposit in the unaudited consolidated statement of financial position of the Group as at 30 June 2014. The remaining 90% of the Purchase Price and the direct expenses will be financed by a mortgage loan of HK\$196,000,000 to the extent of 40% of the Purchase Price of the Property and a total of HK\$287,150,000 cash settlement. As at the date of the Circular, the mortgage loan has already been approved by the bank.
3. The adjustment represents two available loan facilities offered and approved by the bank at the date of the Circular, comprising a mortgage loan of HK\$65,200,000 pledged on an owned shop located at Tai Ho Road (40% on HK\$163,000,000 which is the property's fair market value) and a revolving loan of HK\$100,000,000. All these banking facilities are acquired for the purpose of this Acquisition so as to facilitate sufficient amount for the cash settlement of the Acquisition.
4. In connection with the Acquisition, rental deposits of HK\$1,540,000 will be transferred from the Vendor to the Group, in relation to the tenancy agreements of the Property upon completion of the Acquisition.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE  
COMPILATION OF PRO FORMA FINANCIAL INFORMATION

*The following is the text of a report, prepared for the sole purpose of inclusion in this circular, from the independent reporting accountant, RSM Nelson Wheeler, Certified Public Accountants, Hong Kong.*



**RSM Nelson Wheeler**  
中瑞岳華(香港)會計師事務所  
*Certified Public Accountants*

29th Floor  
Caroline Centre  
Lee Gardens Two  
28 Yun Ping Road  
Hong Kong

30 September 2014

The Board of Directors  
**Bonjour Holdings Limited**

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Bonjour Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the pro forma statement of assets and liabilities as at 30 June 2014 (the "Statement") as set out on pages III-1 to III-2 of the circular issued by the Company. The applicable criteria on the basis of which the directors have compiled the Statement are described on page III-1 to III-2.

The Statement has been compiled by the directors to illustrate the impact of the proposed acquisition of properties located at No. 36-42 and 44-50 Wang Wo Tsai Street, Tsuen Wan, New Territories, Hong Kong on the Group's financial position as at 30 June 2014 as if the transaction had been taken place at 30 June 2014. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's condensed financial statements as included in the interim report for the six months ended 30 June 2014, on which no audit or review report has been published.

**Directors' Responsibility for the Pro Forma Financial Information**

The directors are responsible for compiling the Statement in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Statement and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Statement beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the Statement in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Statement, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Statement.

The purpose of the Statement included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2014 would have been as presented.

A reasonable assurance engagement to report on whether the Statement has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Statement provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The Statement reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Statement has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Statement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the Statement has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Statement as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

**RSM Nelson Wheeler**  
*Certified Public Accountants*  
Hong Kong

*The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Ascent Partners Valuation Service Limited, an independent valuer, in connection with its valuation as at 23 September 2014 of the property interests to be acquired by the Group.*



Suite 2102, Hong Kong Trade Centre  
161-167 Des Voeux Road Central  
Hong Kong  
Tel: 3679-3890  
Fax: 3579-0884

Date: 30 September 2014

The Board of Directors  
**Bonjour Holdings Limited**  
10/F., Bonjour Tower  
No.3 Yuk Yat Street  
To Kwa Wan  
Kowloon, Hong Kong

Dear Sirs,

**RE: Valuation of Nos.36-42 and 44-50 Wang Wo Tsai Street, Tsuen Wan, New Territories**

#### **INSTRUCTIONS**

In accordance with the instructions received from Bonjour Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) for us to carry out a valuation of Nos.36-42 and 44-50 Wang Wo Tsai Street, Tsuen Wan, New Territories (the “**Property**”), we confirm that we have carried out property inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property interests as at 23 September 2014 (referred to as the “**Valuation Date**”) for the purpose of incorporation in the circular of the Group.

This letter which forms part of our valuation report explains the basis and methodology of valuation, clarifying assumptions, valuation considerations, title investigation and limiting conditions of this valuation.

#### **BASIS OF VALUATION**

Our valuation of the property interests represents the market value which we would define as intended to mean “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s – length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

**VALUATION METHODOLOGY**

We have valued the property interests of property in market basis and the direct comparison method is adopted where comparison based on prices realised on actual sales price of comparable property is made. Comparable properties of similar size, character, and location are analysed and carefully weighted against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of values.

**VALUATION CONSIDERATIONS**

In valuing the property interests, we have complied with all the requirements contained in Chapter 5 of the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

**VALUATION ASSUMPTIONS**

Our valuations have been made on the assumption that the seller sells the property interests on the open market in their existing states without the benefit of a deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements, which could serve to affect the values of the property interests.

Unless stated as otherwise, we have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of all laws, except only where otherwise stated. We have further assumed that, for any use of the Property upon which this report is based, all required licenses, permit, certificate and authorizations have been obtained.

We have assumed that the owners of the Property have free and uninterrupted rights to use and dispose of the Property for the whole of the unexpired term of Land Grant.

Other special assumptions of the property interests, if any, have been stated out in the footnotes of the valuation certificate attached herewith.

**TITLE INVESTIGATION**

We have carried out searches to be made at the Land Registry for the Property located in Hong Kong.

We have been, in some instances, provided with the extracts of the documents relating to the Property. However, we have not verified ownership of the Property of to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

**LIMITING CONDITIONS**

We have inspected the exterior, and wherever possible, the interior of the property but no structural survey had been made. In the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. Further, no test has been carried out on any of the building services. All dimensions, measurements and areas are only approximates. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the property and we have assumed that the areas shown on the copies of documents handed to us are correct.

The site inspection of the property was carried out by Mr. Charles Choi ASc (Estate Surveying) on 23 September 2014.

We have not carried out any soil investigations to determine the suitability of the soil conditions and the services etc. for any future development. Our valuations are prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. We do not make any allowance for contamination or pollution of the land, if any, which may have been caused by past usage.

We have relied to a considerable extent on information provided by the Group and have accepted advice given to us on such matters, in particular, but not limited to, the sales records, tenure, planning approvals, statutory notices, easements, particulars of occupancy, site and floor areas and all other relevant matters in the identification of the property interests.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also been advised by the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

No allowance has been made in our valuation for any charges, mortgages or amount owing on any property interests nor for any expense or taxation which may be incurred in effecting a sale. We have assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect their values

Liability in connection with this valuation report is limited to the client to whom this report is addressed and for the purpose for which it is carried out only. We will accept no liability to any other parties or any other purposes.

This report is to be used only for the purpose stated herein, any use or reliance for any other purpose, by you or third parties, is invalid. No reference to our name or our report in whole or in part, in any document you prepare and / or distribute to third parties may be made without written consent.

## EXCHANGE RATE

Unless otherwise stated, all monetary amounts stated in this report are in Hong Kong Dollar (HKD).

Our valuation certificate in respect of the property interests is herewith attached.

Yours faithfully,  
For and on behalf of  
**Ascent Partners Valuation Service Limited**  
**Stephen Y. W. Yeung**  
MFin BSc(Hons) Land Adm. MHKIS CREA RPS(GP)  
*Principal*

*Mr. Stephen Y. W. Yeung is a Registered Professional Surveyor (General Practice Division) and a Professional Member of The Hong Kong Institute of Surveyors with over 10 years' experience in valuation of properties in HKSAR and mainland China.*

## VALUATION CERTIFICATE

## Property interests to be acquired by the Group for owner occupation in Hong Kong

Property	Description and Tenure	Particular of Occupancy	Market Value in Existing State as at 23 September 2014
Nos.36-42 (Block B) and 44-50 (Block A) Wang Wo Tsai Street, Tsuen Wan, New Territories	The property, known as Harrington Building is located at Nos. 36-42 and 44-50 Wang Wo Tsai Street, Tsuen Wan.	Pursuant to the tenancy schedule provided by the Group, portion of the property was leased to various parties for various terms at a total monthly rent of HKD755,900 inclusive of management fee, government rent and rates for car parking, godown or industrial use under eighty-three oral and written tenancy agreements. As advised by the Group, the breakdown comprises 13 oral agreements, 55 written agreements and 15 expired written tenancies and continued on monthly oral basis at a monthly rental of HKD105,500, HKD557,000 and HKD93,400 respectively with the latest agreement expiring on 8 October 2014.	HKD517,000,000
D.D.443 Lot Nos. 458 and 488	<p>The property comprises two parcels of land with a total area of approximately 20,222.65 sq.ft. together with two blocks of adjoining 14-storey industrial building erected thereon completed in 1973 and 1975.</p> <p>As per approved building plans obtained, the two blocks accommodate a total of 11 private car parking spaces and 12 lorry parking spaces on Ground Floor; and industrial spaces on Ground to 14th Floors. The total gross floor area of the buildings and the saleable area excluding the parking spaces is approximately 223,804 sq.ft. and 165,794 sq.ft. respectively plus a flat roof of 5,815 sq.ft. on the Fourth Floor.</p> <p>The property is held under New Grant Nos. 3880 and 4355 for a term of 99 years commencing from 1 July 1898 and statutorily renewed until 30 June 2047. The government rent payable for the property is at 3% of the rateable value of the time being of the property per annum.</p>	<p>The remaining portion of the property is currently occupied by the owner for car parking, godown or industrial uses or vacant.</p> <p>We have been advised that vacant possession of the leased portion may be obtained upon six months' notice to quit being served upon the individual lessees. As confirmed by the Group, the property will be retained for their own occupation.</p>	<p>100% interest Attributable to the Group: HKD517,000,000</p>

**Notes:**

- (1) The registered owner of the property is Warrington & Co., Ltd. vide New Grant No.4355 of Lot No.488 in D.D.443 and Memorial No. TW98389 dated 10 November 1964 and 4 October 1972 respectively.
- (2) The property is subject to 2 Occupation Permits Nos. NT12/73 and NT11/75 for Block A and B dated 25 January 1973 and 29 January 1975 respectively.
- (3) Pursuant to the New Grant No. 4355 in respect of the property (Re: Block A), it contains, inter alia, the following development covenants:

"The lot shall be used for general industrial and/ or godown purposes excluding any trade, which is now or may hereafter be declared to be an offensive trade..."

- (4) Pursuant to the New Grant No. 3880 in respect of the property (Re: Block B), it contains, inter alia, the following development covenants:  
  
“The lot shall be used only for industrial purposes excluding any offensive, noxious, noisome or unhealthy trade, business or manufacture.”
- (5) Pursuant to an approved Tsuen Wan Outline Zoning Plan No. S/TW/31 dated 17 January 2014, the property is designed as “Comprehensive Development Area (6)”.
- (6) Pursuant to eighty-three written and oral agreement entered into between Warrington & Co., Ltd. and various tenants (the “Lessees”), portion of the property was leased to the Lessees for various term at a total monthly rental of HKD755,900 inclusive of management fee, government rent and rates for car parking, godown or industrial use, details of which has been disclosed in Appendix II.
- (7) The property is subject to an Agreement for Sale and Purchase in favour of the Purchaser vide Memorial No.140627012630028 dated 25 June 2014 at a consideration of HKD490,000,000.
- (8) As advised by the Group, the property will undergo renovation and improvement works for their own occupation after unite of all units and the estimated costs will be approximately HKD38,000,000.

## 1. RESPONSIBILITY STATEMENT

This circular, 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 enquires, confirm that to the best of their knowledge and belief the information contained in this circular 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 document misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' interests in Shares

As at the Latest Practicable Date, the Directors and the chief executive of the Company had the following interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Director or, chief executive of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

### (i) Interests in the Company

<u>Name of Directors</u>	<u>Capacity and nature</u>	<u>Ordinary Shares (Note 4)</u>	<u>Number of underlying shares held pursuant to share options</u>	<u>Total</u>	<u>Approximate percentage of issued share capital</u>
Dr. Ip Chun Heng, Wilson	Beneficial owner	52,800,000	61,996,000	2,081,112,000	61.01%
	Interest of spouse (Note 1)	52,800,000	61,996,000		
	Joint interests (Note 2)	11,809,600			
	Corporate Interest (Note 3)	1,839,710,400			
Ms. Chung Pui Wan	Beneficial owner	52,800,000	61,996,000	2,081,112,000	61.01%
	Interest of spouse (Note 1)	52,800,000	61,996,000		
	Joint interests (Note 2)	11,809,600			
	Corporate Interest (Note 3)	1,839,710,400			
Mr. Yip Kwok Li	Beneficial owner	4,884,000	-	4,884,000	0.14%

Notes:

- Each of totalling 114,796,000 shares and underlying shares of the Company are separately held by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan, the spouse of Dr. Ip Chun Heng, Wilson. Therefore, each of them are taken to be interested in each of 114,796,000 shares and underlying shares of the Company by virtue of the SFO.
- The shares of the Company are held jointly by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan.
- The shares of the Company are held by Promised Return Limited, which is wholly owned by Deco City Limited. Deco City Limited is wholly owned by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan equally.
- Interests in shares of the Company stated above represent long positions.

**(ii) Interests in subsidiary of the Company**

Name of Directors	Name of the subsidiary	Capacity and nature	Non-voting deferred share (Note 2)	
			Number	Percentage
Dr. Ip Chun Heng, Wilson	Bonjour Cosmetic Wholesale Center Limited (Note 1)	Personal interests	153,000	51.00%
Ms. Chung Pui Wan	Bonjour Cosmetic Wholesale Center Limited (Note 1)	Personal interests	147,000	49.00%

Notes:

- Bonjour Cosmetic Wholesale Center Limited is a wholly-owned subsidiary of the Company.
- The non-voting deferred shares are fully-paid and have par value of HK\$1.00 each.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive officer of the Company had, pursuant to Divisions 7 and 8 of Part XV of the SFO, nor were they taken to or deemed to have under such provisions of the SFO, any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) or any interests which are required to be entered into the register of interests kept by the Company pursuant to section 352 of the SFO or any interests which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code, was interested in or had any short position.

**b) Substantial Shareholders' interests in Shares**

As at the Latest Practicable Date, the interests and short positions of the following persons, other than Directors and chief executive officer of the Company, in the issued share capital of the Company which have been disclosed to the Company pursuant to Division 2 and 3 of Part XV of the SFO, or which have been recorded in the register of interests kept by the Company pursuant to section 336 of the SFO:

<b>Name of substantial Shareholders</b>	<b>Total interests in ordinary shares (Note 1)</b>	<b>Approximate percentage of issued share capital</b>
Promised Return Limited (Note 2)	1,839,710,400	53.94%
Deco City Limited (Note 2)	1,839,710,400	53.94%

Notes:

- Interests in shares of the Company stated above represent long positions.
- Promised Return Limited is wholly owned by Deco City Limited. Deco City Limited is wholly owned by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan equally. As at the date of its incorporation, Promised Return Limited was held as to 51% and 49% by Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan respectively. On 17 June 2003, Dr. Ip Chun Heng, Wilson and Ms. Chung Pui Wan transferred the entire issued share capital of Promised Return Limited to Deco City Limited.

Save as disclosed above, as at the Latest Practicable Date, no person was interested in or had any short position in the issued share capital of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO.

**3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing and proposed service contract with any members of the Group other than contracts expiring or determinable by the relevant member of the Group within one year without payment of compensation (other than statutory compensation).

#### 4. MATERIAL CONTRACTS

The following contracts not being contracts in the ordinary course of business of the Group, were entered into by the Group within two years immediately preceding the date of this circular which are or may be material:

- (i) The placing agreement dated 16 January 2014 for placing up to 105,000,000 shares of the Company to not few than six independent third parties at a discount placing price of HK\$1.56 per placing share, representing 3.38% of the enlarged share capital. The placing was completed on 4 February 2014.

Details of the above placing were published in the Company's announcements dated 16 January and 4 February 2014.

- (ii)
  - a) The share sale agreement dated 18 February 2014 was entered into between the Group and Million Worldwide Investment Limited (the "Vendor") for the sale and purchase of the entire issued share capital of Wealthy Train Limited (the "Target Company") at a consideration of HK\$3,321,616. The Target Company is holding a property at Tsuen Wan, New Territories, which valued is approximately HK\$163,000,000 as at 6 January 2014.
  - b) The debt sale agreement dated 18 February 2014 has entered into between the Group and the Vendor for the assignment of the entire loan owed by the Target Company to the Vendor being HK\$160,578,384.

Details of the above acquisition were published in the Company's announcements dated 18 February and 21 February 2014.

- (iii) The agreement dated 20 August 2014 was entered into between the Group and Town Health International Medical Group Limited ("Town Health"), a company listed on the Stock Exchange of Hong Kong Limited for sales and purchase the entire issued share capital of Bonjour Beauty International Limited (the "Target Company") at a consideration of HK\$423,780,000 to be satisfied by the allotment and issue of the Consideration Shares by the Town Health to the Group (the "Sale Shares").

Details of this disposal were published in the Company's announcements dated 20 August 2014.

#### 5. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to the business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2013 (being the date to which the latest published audited accounts of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

**6. DIRECTORS' INTEREST IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

**7. LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries have been engaged in any litigation or claims of material importance and, so far as the Directors are aware, there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries, except the legal action in respect of constructive dismissal which has been taken during the financial year ended 31 December 2013 against the Company. The claim is for a sum of HK\$300,000.00, being payment in lieu of notice. The Company will defend against the claim and the claim shall not have any material impact on the Company's financial position and/or operation.

**8. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position since 31 December 2013, being the date to which the latest published audited financial statements of the Group were made up.

## 9. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have been named in this circular or have given their opinion or advice which are contained in this circular:

<u>Name and Address</u>	<u>Qualification</u>
<b>Ascent Partners Valuation Service Limited</b> Suite 1202, Hong Kong Trade Centre, 161-167 Des Voeux Road Central, Hong Kong	Independent Professional Valuer
<b>RSM Nelson Wheeler</b> 29th Floor, Caroline Centre, 28 Yun Ping Road, Causeway Bay, Hong Kong	Certified Public Accountants

As at the Latest Practicable Date, the above experts did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 December 2013 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

The above experts have given and have not withdrawn their written consents to the issue of this circular with the inclusion of their letters and the references to their name in the form and context in which they appear.

## 10. GENERAL

- (a) The company secretary of the Company is Ms. Cheng Wai Kam Kennex, a member of Hong Kong Institutes of Certified Public Accountants, a member of the Association of Chartered Certified Accountants.
- (b) The registered office of the Company is at 10/F, Bonjour Tower, 3 Yuk Yat Street, To Kwa Wan, Hong Kong;
- (c) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- (d) The English text of this circular prevails over the Chinese text.

**11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at for a period of 14 days from the date of this circular.

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company containing audited consolidated financial statements of the company for three years ended 31 December 2011, 2012 and 2013;
- (c) the interim report of the Company for six months ended 30 June 2014;
- (d) the letters of consent referred to in paragraph headed "Experts and Consents" above;
- (e) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (f) the report from RSM Nelson Wheeler in respect of the unaudited pro forma statement of assets and liabilities of the Group as set out in Appendix III to this circular;
- (g) the property valuation report prepared by Ascent Partners Valuation Service Limited, the text of which is set out in Appendix IV to this circular;
- (h) a copy of each circular issued pursuant to the requirement set out in Chapter 14 and/or 14A of the Listing Rules which has been issued since the date of the latest published audited accounts; and
- (i) this circular.