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Bonjour Holdings Limited

卓悦控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 653)

**DISCLOSEABLE TRANSACTION:
DISPOSAL OF FINANCIAL ASSETS**

THE DISPOSAL

The Board would announce that on 10 April 2017 (during pre-opening session), the Group sold 180 million THIM Shares at the price of HK\$1.20 per THIM Share on the market through the Securities Broker to independent third buyer(s). The THIM Shares held by the Group were classified as available-for-sale financial assets in its financial statements for the year ended 31 December 2016. Immediately following completion of the Disposal, the Group holds about 185.3 million THIM Shares.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in relation of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

THE DISPOSAL

The Board would announce that on 10 April 2017 (during pre-opening session), BGL (a wholly-owned subsidiary of the Company) sold 180 million THIM Shares at the price of HK\$1.20 per THIM Share. These 180 million THIM Shares (representing approximately 2.3% of THIM's issued share capital on 10 April 2017) were sold on the market through the Securities Broker to independent third-party buyer(s). As advised by the Securities Broker, the Disposal was effected with certain transaction details as set out below. The aggregate value of the consideration is about HK\$216 million (without taking account of transaction costs) and the amount of net proceeds is approximately HK\$215.3 million. Under the arrangement through the Securities Broker, the Group has instructed the Securities Broker to sell the 180 million THIM Shares to independent third-party buyer(s), who must not be connected person(s) of the Company. While the exact identity of the buyer(s) is not made known to the Group, the Securities Broker has confirmed to BGL that no connected person of the Company is involved.

It is expected that the Company will record an estimated loss of approximately HK\$7.2 million (exclusive of transaction costs of around HK\$0.7 million) representing the carrying value of HK\$1.24 attributable to the THIM Shares so sold less the gross proceeds from the sale of 180 million THIM Shares. The selling price at HK\$1.20 per THIM Share was set by BGL by reference to the on-market trading prices of THIM Shares ranging from HK\$1.23 to HK\$1.26 per THIM Share recorded from 3 April 2017 to 10 April 2017.

Immediately after the Disposal, BGL holds 185,327,586 THIM Shares (representing approximately 2.4% of THIM's issued share capital).

INFORMATION ON THE THIM SHARES

As disclosed in the Company's announcement dated 20 August 2014, BGL entered into a sale and purchase agreement with THIM for the sale and purchase of the entire issued share capital in Bonjour Beauty International Limited ("**Bonjour Beauty**") and its subsidiaries (together, the **Bonjour Beauty Group**") at a consideration of HK\$423,780,000, which were satisfied by the issue of 365,327,586 THIM Shares at an issue price of HK\$1.16 per THIM Share. Completion of such sale and purchase took place on 1 January 2015. The principal business of the Bonjour Beauty Group was then beauty and health salons operations.

The said 365,327,586 THIM Shares so issued to the Group were recorded as "available-for-sale financial assets" in the financial statements of the Company for the financial year ended 31 December 2016. Following the Disposal, such classification will remain unchanged.

INFORMATION ON THE THIM GROUP

The THIM Group is principally engaged in healthcare business in Hong Kong, which comprises managed care, medical and dental clinics operation and provision of beauty and cosmetic medicine services. It also has a major segment of PRC healthcare business, which includes provision of hospital and clinic management services. It is also involved in investment business including direct investment in the healthcare sector and investment in securities and properties.

In such connection, an agreement dated 30 December 2016 for the sale and purchase of the entire issued share capital in Bonjour Beauty was entered into by the THIM Group (as seller) and a company (as purchaser) which is jointly owned by Dr. Ip and his spouse. For details of the THIM Group's sale of Bonjour Beauty, please refer to THIM's announcement dated 30 December 2016 and THIM's circular dated 23 February 2017. The Company is given to understand that such sale of Bonjour Beauty by the THIM Group will be completed in April 2017. Following such completion, the THIM Group will discontinue the beauty and cosmetic medicine business.

For the year ended 31 December 2016 and up to the date of this announcement, the Group (i) leased certain premises to the Bonjour Beauty Group (then being subsidiaries of THIM), which were used as its offices and salons, (ii) had a loan in the aggregate principal amount of HK\$138 million owing to the Bonjour Beauty Group (which carried interest at the rate of (a) 3% per annum for the year ended 31 December 2016, (b) 5% per annum from 1 January 2017), which had a maturity date falling on 1 January 2018), and (iii) (during the ordinary course of business) sold certain beauty and health-care products as well as gift coupons to the Bonjour Beauty Group. Dr. Ip is a former director of THIM (who assumed such office from 1 January 2015 and up to 30 December 2016) and also a director of some of the members of the Bonjour Beauty Group.

Save as disclosed above, the Group and the THIM Group do not have any other business relationship as at the date of this announcement.

Immediately before the Disposal, the Group held approximately 4.7% of the issued share capital in THIM. Immediately after the Disposal, the Group holds approximately 2.4% of THIM's issued share capital, and so far as the Company is aware, THIM does not hold any interest in the shares of the Company discloseable under Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

According to the announcement on the 2016 annual results published by THIM dated 29 March 2017, the value of the audited net assets of the THIM Group was approximately HK\$4,582 million as at 31 December 2016. Further financial information of the THIM Group for the past two financial years ended 31 December 2015 and 2016 based on the latest audited consolidated financial statements (or, as the case may be, the announcement on annual results 2016) published by THIM is set out as below:

	For the year ended 31 December	
	2016	2015
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
Revenue from continuing operations	1,011.5	828.9
Gross profit from continuing operations	297.1	252.1
Profit before taxation from continuing operations	112.1	294.3
Profit after taxation from continuing operations <i>(Note)</i>	93.3	283.6

Note: If the loss of HK\$15.2 million for 2016 (2015: HK\$22.8 million) from discontinued operation is taken into account, THIM's profit for 2016 amounted to about HK\$78.1 million (2015: HK\$260.9 million).

INFORMATION ON THE GROUP

The Group is principally engaged in the business of wholesaling and retailing of beauty and health-care products.

REASONS FOR AND BENEFITS OF THE DISPOSAL

For the year ended 31 December 2016, the Group recorded a loss from continuing operations in the amount of about HK\$91.6 million. As at 31 December 2016, the Group's current liabilities amounted to some HK\$450 million, while the Group's current assets amounted to about HK\$615 million. Such current assets comprised (among other assets) bank and cash balances of about HK\$33.5 million, inventories of about HK\$225 million, and available-for-sale financial assets of about HK\$225 million.

Based on the amount of the consideration for the Disposal and the carrying value of the THIM Shares as at 31 December 2016, the Group will recognise a loss of approximately HK\$7.2 million (excluding transaction costs of around HK\$0.7 million). The actual amount of the gain or loss as a result of the Disposal is subject to audit. It is expected that the net proceeds from the Disposal will be used by the Group for its general working capital and for business expansion and diversification (as disclosed in the paragraph headed "Business review – Outlook – Exploring Opportunities" in the Company's announcement dated 24 March 2016 on its annual results for 2016).

Based on the trading prices of THIM Shares ranging from HK\$1.23 to HK\$1.26 per THIM Share recorded from 3 April 2017 to 10 April 2017, the Board considers that the selling price of HK\$1.20 per THIM Share under the Disposal is close to the prevailing market price and the terms of the Disposal are on normal commercial terms and are fair and reasonable. As a result of the Disposal, the Group would be able to realise a portion of its holding of the THIM Shares at a gain of approximately HK\$7.2 million when compared to the issue price of HK\$1.16 per THIM Share as well as to further enhance and strengthen the financial position and cash position of the Group.

Based on the above reasons, the Directors (including the independent non-executive Directors) consider that the terms of the Disposal are on normal commercial terms and are fair and reasonable and that the Disposal is in the best interests of the Company, the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in relation of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meaning:

“BGL”	Bonjour Group Limited, a wholly-owned subsidiary of the Company and which is a holder of the THIM Shares
“Board”	board of Directors
“Company”	Bonjour Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules.
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 180 million THIM Shares on the market through the Securities Broker on 10 April 2017 during pre-opening session
“Dr. Ip”	Dr. Ip Chun Heng, Wilson, the Chairman and an executive Director of the Company
“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)”	a third party independent of and not connected with the Company and its subsidiaries and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“Securities Broker”	Fordjoy Securities and Futures Limited, a licensed corporation to carry out business in type 1 regulated activities (dealing in securities) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the securities broker of BGL in relation to the Disposal
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“THIM”	Town Health International Medical Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (stock code: 3886)
“THIM Group”	THIM and its subsidiaries
“THIM Share(s)”	ordinary share(s) of HK\$0.01 in the capital of THIM
“%”	per cent.

By order of the Board
Bonjour Holdings Limited
Ip Chun Heng, Wilson
Chairman & executive Director

Hong Kong, 10 April 2017

As at the date of this announcement, the executive Directors are Dr. Ip Chun Heng, Wilson, Ms. Chung Pui Wan, Mr. Chen Jianwen, Mr. Yip Kwok Li and Mr. Wan Yim Keung, Daniel; and the independent non-executive Directors are Mr. Wong Chi Wai, Dr. Chow Ho Ming and Mr. Lo Hang Fong.