

**THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of the Share Offer, this Composite Document and/or the accompanying Form of Acceptance or the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Bonjour Holdings Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or the licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Share Offer contained herein.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon whole or any part of the contents of this Composite Document and the accompanying Form of Acceptance.



**CHEN JIANWEN**

**Bonjour Holdings Limited**  
**卓悦控股有限公司**

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

**(Stock code: 653)**

**COMPOSITE OFFER AND RESPONSE DOCUMENT RELATING TO  
THE UNCONDITIONAL MANDATORY CASH OFFER BY  
BOCOM INTERNATIONAL SECURITIES LIMITED  
ON BEHALF OF THE OFFEROR  
TO ACQUIRE ALL THE ISSUED SHARES IN THE COMPANY  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY THE OFFEROR)**

**Financial adviser to the Offeror**



**Independent Financial Adviser to the Independent Board Committee**



Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from BOCOM Securities containing, among other things, details of the terms and conditions of the Share Offer is set out on pages 8 to 15 of this Composite Document. A letter from the Board is set out on pages 16 to 23 of this Composite Document. A letter from the Independent Board Committee is set out on pages 24 to 25 of this Composite Document. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee, is set out on pages 26 to 43 of this Composite Document.

The terms and procedures for acceptance and settlement of the Share Offer and other related information are set out on pages I-1 to I-10 in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Acceptances of the Share Offer should be received by the Registrar of the Company as soon as possible and in any event no later than 4:00 p.m. on Friday, 8 May 2020 or such later time and/or the date as the Offeror may decide and announce in accordance with the requirements under the Takeovers Code.

This Composite Document will remain on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at <http://corp.bonjourhk.com> as long as the Share Offer remains open.

Persons receiving copies of this Composite Document, the Form of Acceptance and any related documents, including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside of Hong Kong, should read the details in this regard which are contained in the section headed "7. Overseas Holders" in Appendix I to this Composite Document before taking any action. It is the sole responsibility of each Overseas Holder wishing to accept the Share Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including but not limited to the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or regulatory or legal requirements and the payment of any transfer or other taxes or duties due by the accepting Shareholders in respect of such jurisdiction. Overseas Holders are advised to seek professional advice on deciding whether or not to accept the Share Offer.

17 April 2020

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## EXPECTED TIMETABLE

All the time and date references contained in this Composite Document refer to Hong Kong time and dates.

<b>Event</b>	<b>Time and Date</b>
Despatch date of this Composite Document and the accompanying Form of Acceptance and commencement of the Share Offer <sup>(Note 1)</sup> . . . . .	Friday, 17 April 2020
Share Offer opens for acceptance <sup>(Note 1)</sup> . . . . .	Friday, 17 April 2020
Latest time and date for acceptance of the Share Offer <sup>(Note 2)</sup> . . . . .	4:00 p.m. on Friday, 8 May 2020
Closing Date <sup>(Note 2)</sup> . . . . .	Friday, 8 May 2020
Announcement of the results of the Share Offer as at the Closing Date to be posted on the website of the Stock Exchange <sup>(Note 2)</sup> . . . . .	no later than 7:00 p.m. on Friday, 8 May 2020
Latest date for posting of remittances in respect of valid acceptances received under the Share Offer <sup>(Notes 2 and 3)</sup> . . . . .	Tuesday, 19 May 2020

*Notes:*

1. The Share Offer, which is unconditional, is made on 17 April 2020, the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Offeror revises or extends the Share Offer in accordance with the Takeovers Code. Acceptances of the Share Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the section headed “5. Right of withdrawal” in Appendix I to this Composite Document.
  
2. In accordance with the Takeovers Code, the Share Offer must initially be open for acceptance for at least 21 days following the date on which this Composite Document is posted. The latest time and date for acceptance of the Share Offer is 4:00 p.m. on Friday, 8 May 2020 unless the Offeror revises or extends the Share Offer in accordance with the Takeovers Code. An announcement will be jointly issued by the Company and the Offeror the website of the Stock Exchange by 7:00 p.m. on Friday, 8 May 2020, stating whether the Share Offer has been extended, revised or expired. In the event that the Offeror decides to extend the Share Offer and the announcement does not specify the next closing date, at least 14 days’ notice by way of an announcement will be given before the Share Offer is closed to those Independent Shareholders who have not accepted the Share Offer.

If there is a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal in force on the Closing Date or the date for posting of remittances and it has (i) not been cancelled in time for trading on the Stock Exchange to resume in the afternoon, the Closing Date will be postponed to 4:00 p.m. on the next business day (as defined under the Takeovers Code) and the date for posting of remittances will be postponed to the next business day which does not have either of those warnings in force in Hong Kong or such other day as the Executive may approve; or (ii) been cancelled in time for trading on the Stock Exchange to resume in the afternoon, the Closing Date or the date for posting of remittances will be on the same business day.

## EXPECTED TIMETABLE

3. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Share Offer will be despatched to the Independent Shareholders accepting the Share Offer by ordinary post at their own risk as soon as possible, but in any event within seven (7) business days (as defined under the Takeovers Code) following the date of receipt by the Registrar of all relevant documents (receipt of which renders such acceptance complete and valid) in accordance with the Takeovers Code. Acceptances of the Share Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the section headed "5. Right of withdrawal" in Appendix I to this Composite Document.

The expected timetable above is indicative only and may be subject to changes. The Offeror and the Company will jointly notify the Independent Shareholders by way of announcement(s) in the event of any change to the expected timetable as and when appropriate.

### **NOTICE TO INDEPENDENT SHAREHOLDERS OUTSIDE HONG KONG**

The availability of the Share Offer to any Overseas Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Holders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Holders who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Holders in respect of such jurisdictions). The Offeror and the Concert Parties, the Company, BOCOM (Asia), BOCOM Securities, the Independent Financial Adviser, the Registrar, their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Share Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please see the section headed "Overseas Holders" in the "Letter from BOCOM Securities".

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Composite Document contains forward-looking statements, which may be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "seek", "estimate", "will", "would" or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

## DEFINITIONS

*In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions shall have the following meanings. Also, where terms are defined and used in only one section of this Composite Document, those defined terms are not included in the table below:*

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associates”	has the meaning ascribed to it in the Takeovers Code
“Board”	board of Directors of the Company from time to time
“BOCOM (Asia)”	BOCOM International (Asia) Limited, a corporation licensed by the SFC to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser of the Offeror in connection with the Share Offer
“BOCOM Securities”	BOCOM International Securities Limited, a corporation licensed by the SFC to carry on Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO, being the agent making the Share Offer on behalf of the Offeror and BOCOM (Asia)
“Business Day”	means a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Chung Options”	the 61,996,000 outstanding Options granted to Ms. Chung by the Company pursuant to the Share Option Scheme, which comprises 30,096,000 Options with an exercise price of HK\$0.929 exercisable until 12 April 2020 and 31,900,000 with an exercise price of HK\$1.209 exercisable until 3 July 2021, and which were surrendered and cancelled at Completion pursuant to the Sale and Purchase Agreement

## DEFINITIONS

“Chung Retained Shares”	the 52,800,000 Shares, representing approximately 1.5% of the total issued share capital of the Company as at the Latest Practicable Date, which would be continued to be held and owned by Ms. Chung until the Closing Date
“Closing Date”	Friday, 8 May 2020, being the closing date of the Share Offer, which is 21 calendar days after the posting of this Composite Document, or any subsequent closing date of the Share Offer as may be extended in accordance with the Takeovers Code
“Company”	Bonjour Holdings Limited (卓悦控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 653)
“Completion”	completion of the Sale and Purchase Agreement
“Composite Document”	this composite offer and response document in respect of the Share Offer jointly issued by the Offeror and the Company in accordance with the Takeovers Code
“Concert Parties”	the parties acting, or presumed to be acting, in concert with the Offeror under the Takeovers Code, including Dr. Ip, Ms. Chung, Mr. Yip and Mr. Wan
“Consideration”	the consideration for the sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Dr. Ip”	Dr. Ip Chun Heng, Wilson, an executive Director, the chief executive officer of the Company and the chairman of the Board
“Encumbrance(s)”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same

## DEFINITIONS

“Excluded Shares”	the Ip Retained Shares, the Chung Retained Shares and the Wan Shares, in the aggregate number of 63,100,000 Shares, representing approximately 1.8% of the total issued share capital of the Company as at the Latest Practicable Date
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director
“Facility”	certain loan facilities up to an aggregate amount of HK\$311 million granted by BOCOM Securities to the Offeror, which is secured by, among other things, the Sale Shares and all Offer Shares to be acquired by the Offeror pursuant to the Share Offer, to finance the consideration payable under the Share Offer and the Consideration
“Final Results Announcement 2019”	the final results announcement of the Company for FY2019 published by the Company on 31 March 2020
“Form of Acceptance”	the form of acceptance and transfer of Shares in respect of the Share Offer accompanying this Composite Document
“FY2017”	the financial year ended 31 December 2017
“FY2018”	the financial year ended 31 December 2018
“FY2019”	the financial year ended 31 December 2019
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency for the time being of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

## DEFINITIONS

“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors who have no direct or indirect interest in the Share Offer, established for the purpose of advising and giving a recommendation to the Independent Shareholders in respect of the Share Offer and in particular as to whether the terms of the Share Offer are fair and reasonable and as to acceptance of the Share Offer
“Independent Financial Adviser”	Octal Capital Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser to the Independent Board Committee in respect of the Share Offer
“Independent Shareholders”	Shareholders other than (i) the Offeror and (ii) Dr. Ip, Ms. Chung and Mr. Wan, each of whom is a Concert Party and has respectively undertaken not to accept the Share Offer in respect of the Ip Retained Shares, the Chung Retained Shares and the Wan Shares
“Ip Options”	the 61,996,000 outstanding Options granted to Dr. Ip by the Company pursuant to the Share Option Scheme, which comprises of 30,096,000 Options with an exercise price of HK\$0.929 exercisable until 12 April 2020 and 31,900,000 with an exercise price of HK\$1.209 exercisable until 3 July 2021, and which were surrendered and cancelled at Completion pursuant to the Sale and Purchase Agreement
“Ip Retained Shares”	the 3,000,000 Shares, representing approximately 0.1% of the total issued share capital of the Company as at the Latest Practicable Date, which would be continued to be held and owned by Dr. Ip until the close of the Share Offer
“Joint Announcement”	the announcement jointly published by the Company and the Offeror dated 17 February 2020 in relation to, among other things, the Sale and Purchase Agreement and the Share Offer
“Last Trading Day”	30 January 2020, being the last trading day of the Shares before the publication of the Joint Announcement



## DEFINITIONS

“Latest Practicable Date”	14 April 2020, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information herein
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange, which is independent from and operated in parallel with GEM of the Stock Exchange
“Mr. Wan”	Mr. Wan Yim Keung, Daniel, an executive Director
“Mr. Yip”	Mr. Yip Kwok Li, brother of Dr. Ip, an executive Director
“Ms. Chung”	Ms. Chung Pui Wan, spouse of Dr. Ip, an executive Director
“Offer Period”	the period commencing on 29 January 2020, being the date of the Rule 3.7 Announcement and up to and including the Closing Date, or if the Share Offer is revised or extended, any subsequent closing date of the Share Offer as revised or extended and jointly announced by the Offeror and the Company in accordance with the Takeovers Code
“Offer Shares”	all the Share(s) in issue, other than those Shares already owned or agreed to be acquired by the Offeror and the Excluded Shares
“Offeror”	Mr. Chen Jianwen, an executive Director and the vice chairman of the Board
“Option(s)”	the outstanding options granted under the Share Option Scheme
“Overseas Holders”	the Independent Shareholders whose addresses, as shown on the register of members of the Company, are outside Hong Kong

## DEFINITIONS

“PRC”	the People’s Republic of China which for the purpose of this Composite Document, shall exclude Hong Kong, Macau and Taiwan
“PRL”	Promised Return Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly owned by Deco City Limited, being a company incorporated in the British Virgin Islands with limited liability and in turn wholly owned by Dr. Ip and Ms. Chung jointly
“Registrar”	the Hong Kong branch share registrar and transfer office of the Company, Union Registrars Limited, at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong
“Relevant Period”	the period from 29 July 2019, being six months prior to 29 January 2020 (the date of commencement of the Offer Period) and ending on and including the Latest Practicable Date
“Rule 3.7 Announcement”	the announcement pursuant to Rule 3.7 of the Takeovers Code published by the Company dated 29 January 2020
“Sale and Purchase Agreement”	the agreement for the sale and purchase of the Sale Shares dated 30 January 2020 being entered into after trading hours between Dr. Ip, Ms. Chung and PRL as vendors and the Offeror as purchaser in relation to the acquisition of Sale Shares and cancellation of the Ip Options and the Chung Options
“Sale Share(s)”	the 1,378,380,000 Shares, representing approximately 40.4% of the existing issued share capital of the Company as at the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share Offer”	the mandatory unconditional cash offer made by BOCOM Securities on behalf of the Offeror and BOCOM (Asia) for the Offer Shares in accordance with the Takeovers Code

## DEFINITIONS

“Share Offer Price”	the price of HK\$0.1147 per Offer Share payable by the Offeror to the Shareholders for each Offer Share accepted under the Share Offer
“Share Option Scheme”	the share option scheme of the Company approved and adopted by the Company on 27 May 2009
“Shareholders”	holders of the Shares
“Shares”	share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC as amended from time to time
“Vendors”	Dr. Ip, Ms. Chung and PRL
“Wan Irrevocable Undertaking”	the irrevocable undertaking given by Mr. Wan on 14 February 2020 in favour of the Offeror that he will not, among other things, tender the Wan Shares for acceptance of the Share Offer
“Wan Shares”	the 7,300,000 Shares, representing approximately 0.2% of the total issued share capital of the Company as at the Latest Practicable Date, held by Mr. Wan
“%”	per cent.

## LETTER FROM BOCOM SECURITIES



**BOCOM International Securities Limited**  
15/F Man Yee Building  
68 Des Voeux Road Central, Hong Kong

17 April 2020

*To the Independent Shareholders*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
BOCOM INTERNATIONAL SECURITIES LIMITED  
ON BEHALF OF THE OFFEROR  
TO ACQUIRE ALL THE ISSUED SHARES IN THE COMPANY  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY THE OFFEROR)**

### INTRODUCTION

Reference is made to the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Share Offer. As mentioned in the Joint Announcement, on 30 January 2020 (after trading hours), the Offeror as the purchaser entered into the Sale and Purchase Agreement with the Vendors as the vendors, pursuant to which the Offeror agreed to acquire 71,926,000 Shares from Dr. Ip, 16,743,600 Shares jointly held by Dr. Ip and Ms. Chung, and 1,289,710,400 Shares from PRL, representing a total of 1,378,380,000 Shares (equivalent to approximately 40.4% of the total issued share capital of the Company as at the date of the Joint Announcement) for the Consideration of an aggregate amount of HK\$158,000,000, equivalent to HK\$0.1147 per Sale Share (rounded up to 4 decimal places). Upon Completion, Dr. Ip and Ms. Chung continued to respectively hold the Ip Retained Shares and the Chung Retained Shares, representing approximately 0.1% and 1.5% of the total issued share capital of the Company as at the Latest Practicable Date, respectively, whereas PRL ceased to hold any Shares and ceased to be a Shareholder. Completion took place on 9 April 2020.

Immediately prior to Completion, the Offeror owned 665,100,000 Shares, representing approximately 19.5% of the total issued share capital of the Company. Immediately following Completion and as at the Latest Practicable Date, the Offeror owned 2,043,480,000 Shares, representing approximately 59.9% of the total issued share capital of the Company as at the Latest Practicable Date. Accordingly, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror pursuant to Rule 26.1 of the Takeovers Code.

This letter sets out, amongst others, details of the Share Offer, information on the Offeror and the intention of the Offeror regarding the Group. The terms and procedures of acceptance of the Share Offer are set out in this letter, Appendix I to this Composite Document, and the accompanying Form of Acceptance.

## LETTER FROM BOCOM SECURITIES

The Independent Shareholders are strongly advised to consider carefully the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from the Independent Financial Adviser” as set out in this Composite Document and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Share Offer.

### **UNDERTAKINGS NOT TO ACCEPT THE SHARE OFFER AND NOT TO DISPOSE OF THE EXCLUDED SHARES**

Dr. Ip and Ms. Chung have irrevocably and unconditionally undertaken to the Offeror under the Sale and Purchase Agreement that (i) they would not accept the Share Offer in respect of the Ip Retained Shares and the Chung Retained Shares and (ii) from the date of the Sale and Purchase Agreement until the Closing Date, they would not sell, transfer or dispose of, or engage in any discussion or negotiation to sell, transfer, dispose of or otherwise create any Encumbrance on all or any of the Ip Retained Shares and the Chung Retained Shares. There is no automatic termination provision under the Sale and Purchase Agreement in respect of Dr. Ip’s and Ms. Chung’s undertakings not to accept the Share Offer, other than due to the termination of the Sale and Purchase Agreement in accordance with the terms thereof in the event Completion fails to take place.

As at the Latest Practicable Date, Mr. Wan held 7,300,000 Shares, being the Wan Shares (representing approximately 0.2% of the issued Shares as at the Latest Practicable Date). On 14 February 2020, Mr. Wan has given the Wan Irrevocable Undertaking in favour of the Offeror, pursuant to which he has irrevocably and unconditionally undertaken that he, among other things, (i) shall not accept the Share Offer in respect of the Wan Shares; and (ii) shall not, directly or indirectly, sell, transfer or dispose of, or engage in any discussion or negotiation to sell, transfer, dispose of, grant any option or right over, or otherwise create any Encumbrance on all or any of the Wan Shares. The Wan Irrevocable Undertaking shall be effective until the earlier of: (i) the Closing Date; (ii) the date when the Share Offer lapses; (iii) the date when the Share Offer is withdrawn in circumstances permitted under the Takeovers Code; or (iv) the date when the Offer Period in relation to the Share Offer ends.

### **THE SHARE OFFER**

As at the Latest Practicable Date, there were 3,412,565,999 Shares in issue, and there are no outstanding securities, options, warrants or derivatives in issue which are convertible into or which confer any rights to holder(s) thereof to subscribe for, convert or exchange into Shares, nor are there any agreement entered into by the Company for the issue of such options, derivatives or warrants or other securities of the Company.

Save for (i) the 665,100,000 Shares already owned by the Offeror, (ii) the 1,378,380,000 Shares acquired under the Sale and Purchase Agreement by the Offeror and (iii) the Excluded Shares, assuming there is no change of issued share capital of the Company up to the Closing Date, 1,305,985,999 Shares are subject to the Share Offer.

## LETTER FROM BOCOM SECURITIES

### The Share Offer

BOCOM Securities is making the Share Offer for and on behalf of the Offeror and BOCOM (Asia) with the terms set out in this Composite Document and in compliance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$0.1147 in cash**

The Share Offer Price of HK\$0.1147 per Offer Share under the Share Offer is approximately equal to but not lower than the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement and has taken into account the consideration paid by the Offeror to Dr. Ip and Ms. Chung for the cancellation of the Ip Options and the Chung Options in the total sum of HK\$1,240. The Share Offer is extended to all Shareholders other than the Offeror. Each of Dr. Ip, Ms. Chung and Mr. Wan is a Concert Party and has respectively and irrevocably undertaken not to accept the Share Offer in respect of the Ip Retained Shares, the Chung Retained Shares and the Wan Shares.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and any other third party rights of any nature and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Share Offer is made, being the date on which this Composite Document is posted. As at the Latest Practicable Date, (i) the Company has not made, declared or paid any dividend; and (ii) the Company does not have any intention to make, declare or pay any future dividend/make other distributions until the Closing Date.

The Share Offer is unconditional in all aspects, and is not conditional upon any minimum level of acceptances being received or any other conditions.

### Comparison of Value

The Share Offer Price of HK\$0.1147 per Offer Share represents:

- (i) a premium of approximately 0.6% to the closing price of HK\$0.114 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 7.5% to the closing price of HK\$0.1240 per Share as quoted on the Stock Exchange immediately before trading in the Shares were halted on 31 January 2020 and being the Last Trading Day;
- (iii) a premium of approximately 13.8% over the average closing/last trading price of HK\$0.1008 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 14.7% over the last trading price of HK\$0.1000 per Share as quoted on the Stock Exchange on the last trading date prior to the publication of the Rule 3.7 Announcement;

## LETTER FROM BOCOM SECURITIES

- (v) a premium of approximately 20.9% over the average closing/last trading price of approximately HK\$0.0949 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (vi) a premium of approximately 25.5% over the average closing/last trading price of HK\$0.0914 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day;
- (vii) a discount of approximately 10.3% to the audited consolidated net asset value attributable to Shareholders of approximately HK\$0.1279 per Share as at 31 December 2019; and
- (viii) a discount of approximately 32.8% to the adjusted unaudited net asset value per Share (the “**Adjusted Unaudited NAV per Share**”) of approximately HK\$0.1707 per Share as at 31 December 2019 <sup>(Note)</sup>.

*Note:* The Adjusted Unaudited NAV per Share is calculated from the sum of the (a) audited net asset attributable to the equity holders of the Company as at 31 December 2019 of approximately HK\$436.3 million; and (b) revaluation surplus amounted to approximately HK\$146.1 million arising from the excess of market values of the property interests held by the Group as valued by Ascent Partners Valuation Service Limited as at 29 February 2020 over their corresponding book values as at 31 December 2019, divided by (c) a total of 3,412,565,999 Shares in issue as at the Latest Practicable Date. For the details of the market value of the property interests held by the Group, please refer to Appendix V to this Composite Document.

### Highest and Lowest Share Prices

During the Relevant Period, the highest and lowest daily closing prices of the Shares as quoted on the Stock Exchange was HK\$0.159 per Share on 29 July 2019 and HK\$0.083 per Share on 12 December 2019, respectively.

### Value of the Share Offer

As at the Latest Practicable Date, there were 3,412,565,999 Shares in issue. Based on the Share Offer Price of HK\$0.1147 per Share, the entire issued share capital of the Company is valued at approximately HK\$391.4 million.

On the basis of 3,412,565,999 Shares in issue, save for (i) the 2,043,480,000 Shares already owned and acquired under the Sale and Purchase Agreement by the Offeror and (ii) the Excluded Shares, and there is no change of issued share capital of the Company from the date of this Composite Document up to the Closing Date, 1,305,985,999 Shares are subject to the Share Offer. On the basis of full acceptance of the Share Offer, the maximum cash consideration payable by the Offeror under the Share Offer would be approximately HK\$149,796,594.

## LETTER FROM BOCOM SECURITIES

### **Financial Resources Available to the Offeror**

The Offeror would satisfy the consideration payable under the Share Offer by way of the Facility.

The Offeror has obtained the Facility from BOCOM Securities, which is secured by, among other things, the Sale Shares and all Offer Shares to be acquired by the Offeror pursuant to the Share Offer and a charge over all the Offer Shares to be acquired by the Offeror pursuant to the Share Offer and the rights, title and interests in and to the securities account opened and maintained in the name of the Offeror in which the Offer Shares to be acquired by the Offeror pursuant to the Share Offer are deposited or to be deposited.

The Offeror does not intend that the payment of the interest on, repayment of or security for any liability (contingent or otherwise) under the Facility will depend to any significant extent on the business of the Company.

Assuming full acceptance of the Share Offer, the maximum aggregate amount payable by the Offeror under the Share Offer is approximately HK\$149,796,594. BOCOM (Asia), being the financial adviser to the Offeror, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Share Offer.

### **Effects of Accepting the Share Offer**

By accepting the Share Offer, the Shareholders would sell their Shares to the Offeror free from all Encumbrances and any other third party rights of any nature and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Share Offer is made, being the date on which this Composite Document is posted. As at the Latest Practicable Date, (i) the Company has not made, declared or paid any dividend; and (ii) the Company does not have any intention to make, declare or pay any future dividend/make other distributions until the Closing Date.

Acceptance of the Share Offer by any Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Share Offer are free from all Encumbrances and any other third party rights of any nature and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Share Offer is made, being the date on which this Composite Document is posted. Acceptance of the Share Offer would be irrevocable and would not be capable of being withdrawn, subject to the provision of the Takeovers Code.

### **Settlement**

Settlement of the considerations for the Offer Shares would be made in cash as soon as possible but in any event within seven (7) Business Days (as defined in the Takeovers Code) following the date on which the duly completed and signed Form of Acceptance of the Share Offer and the relevant documents of title are received by the Offeror (or its agent) to render each such acceptance complete and valid.



## LETTER FROM BOCOM SECURITIES

### **Hong Kong Stamp Duty**

Seller's Hong Kong ad valorem stamp duty payable by the Shareholders who accept the Share Offer is calculated at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer.

### **Taxation Advice**

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Offer. None of the Offeror, the Concert Parties, the Company, BOCOM (Asia), BOCOM Securities and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Share Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer.

### **Overseas Holders**

The availability of the Share Offer to any Overseas Holders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Holders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Holders who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Holders in respect of such jurisdictions).

Any acceptance by any Overseas Holders will be deemed to constitute a representation and warranty from such Overseas Holders to the Offeror that the local laws and requirements have been complied with. The Overseas Holders should consult their professional advisers if in doubt.

### **Further Terms of the Share Offer**

Your attention is drawn to the further details of the Share Offer including, among other things, the procedures for acceptance, settlement, acceptance period and taxation matters as set out in Appendix I to this Composite Document and in the Form of Acceptance.

### **Compulsory Acquisition**

The Offeror does not intend to avail himself of any powers of compulsory acquisition of any Shares after the Closing Date.

## LETTER FROM BOCOM SECURITIES

### INFORMATION ON THE COMPANY AND THE GROUP

Information on the Company and the Group is set out in the “Letter from the Board” as contained in this Composite Document. Financial information on the Group is set out in Appendix II to this Composite Document.

### INFORMATION ON THE OFFEROR

The Offeror, aged 57, is a Justice of the Peace of Hong Kong, a member of the Election Committee of Hong Kong, Honorary President of Hong Kong Shine Tak Foundation and Honorary Vice-Chairman of Nan Tien Institute (Australia). The Offeror is also a merchant, currently the chairman of Haifu International Finance Holding Group Ltd, and has engaged in direct investment in the PRC including commercial real estate, and various manufacturing businesses.

The Offeror was appointed as an executive Director of the Company on 20 January 2016 and is currently the vice chairman of the Board and a director of five subsidiaries of the Company. Immediately preceding Completion, he was interested in 665,100,000 Shares, representing approximately 19.5% of the issued share capital of the Company as at the date of the Joint Announcement.

### PUBLIC FLOAT AND LISTING STATUS OF THE COMPANY

The Offeror intends the Company to remain listed on the Stock Exchange following the Closing Date. The Offeror and the Directors to be appointed to the Board (if any) will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that a sufficient public float exists in the Shares as soon as practicable following the Closing Date.

**The Stock Exchange has stated that if, upon closing of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.**

### INTENTIONS OF THE OFFEROR

The Offeror intends to maintain the Company’s existing principal activities and the Offeror will assist the Company in reviewing its business and operations with a view to formulate a long term strategy and business plan and seek for new opportunities to enhance and strengthen the business of the Group.

The Offeror has currently no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. The Offeror has currently no plan to terminate the employment of any other employees or other personnel of the Group. As at the Latest Practicable Date, the Offeror had no intention to enter into, nor has he entered into, any negotiation, arrangements or agreements concerning the injection, disposal, cessation or downsizing of any existing businesses or assets of the Group. As disclosed in the Final Results Announcement 2019, the Group has been reacting to the current challenging business environment of the retail industry by restructuring product offerings and closing certain underperforming stores to optimise the retail network. It is also expected that more business initiatives may be taken to improve the operating and financial performance of the Group. The Offeror reserves the right to make any changes that he deems necessary or appropriate to the Group’s businesses and operations to enhance the value of the Group.

## LETTER FROM BOCOM SECURITIES

### BOARD COMPOSITION

As at the Latest Practicable Date, the Board comprised eight Directors, being five executive Directors and three independent non-executive Directors. As at the Latest Practicable Date, the Offeror has not decided on the future composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company, and a separate announcement will be made in this regard as and when appropriate. It is the intention of the Offeror, Dr. Ip and Ms. Chung that both Dr. Ip and Ms. Chung will remain as Directors after the Closing Date.

### GENERAL

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Share Offer.

The attention of the Overseas Holders is drawn to Appendix I to this Composite Document.

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to them at their respective addresses as they appear in the register of members of the Company, or, in the case of joint Independent Shareholders, to such Independent Shareholder whose name appears first in the register of members of the Company, unless otherwise specified in the accompanying Forms of Acceptance completed, returned and received by the Registrar. None of the Offeror, the Company, BOCOM (Asia), BOCOM Securities, the Independent Financial Adviser, the Registrar nor any of their respective directors, officers, professional advisers, associates, agents or any other parties involved in the Share Offer accepts any liabilities for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document which form part of this Composite Document. You are reminded to carefully read the "Letter from the Board", the "Letter from the Independent Board Committee", the "Letter from the Independent Financial Adviser" and other information about the Group, which are set out in this Composite Document before deciding whether or not to accept the Share Offer.

Yours faithfully,  
For and on behalf of  
**BOCOM International Securities Limited**  
**Sum Wai Kei, Wilfred**  
*Responsible Officer*



**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  
*(chairman and chief executive officer)*  
Ms. CHUNG Pui Wan *(vice-chairman)*  
Mr. CHEN Jianwen *(vice-chairman)*  
Mr. YIP Kwok Li  
Mr. WAN Yim Keung, Daniel

*Independent non-executive Directors:*

Mr. WONG Chi Wai  
Dr. CHOW Ho Ming  
Mr. LO Hang Fong

*Registered office:*

Clifton House  
75 Fort Street  
P.O. Box 1350  
Grand Cayman, KY1-1108  
Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

12/F., Bonjour Tower  
No. 36-50 Wang Wo Tsai Street  
Tsuen Wan  
Hong Kong

17 April 2020

*To the Independent Shareholders*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
BOCOM INTERNATIONAL SECURITIES LIMITED  
ON BEHALF OF THE OFFEROR  
TO ACQUIRE ALL THE ISSUED SHARES IN THE COMPANY  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY THE OFFEROR)**

**INTRODUCTION**

Reference is made to the Joint Announcement in relation to, among other things, the Sale and Purchase Agreement and the Share Offer.

## LETTER FROM THE BOARD

As mentioned in the Joint Announcement, on 30 January 2020 (after trading hours), the Offeror as the purchaser entered into the Sale and Purchase Agreement with the Vendors as the vendors, pursuant to which the Offeror agreed to acquire 71,926,000 Shares from Dr. Ip, 16,743,600 Shares jointly held by Dr. Ip and Ms. Chung, and 1,289,710,400 Shares from PRL, representing a total of 1,378,380,000 Shares (equivalent to approximately 40.4% of the total issued share capital of the Company as at the date of the Joint Announcement) for the Consideration of an aggregate amount of HK\$158,000,000, equivalent to HK\$0.1147 per Sale Share (rounded up to 4 decimal places).

Completion took place on 9 April 2020. Upon Completion, Dr. Ip and Ms. Chung continued to hold the Ip Retained Shares and the Chung Retained Shares, respectively, representing approximately 0.1% and 1.5% of the total issued share capital of the Company as at the Latest Practicable Date, respectively, whereas PRL ceased to hold any Shares and ceased to be a Shareholder. In addition, pursuant to the Sale and Purchase Agreement, the Ip Options and the Chung Options were surrendered and cancelled at Completion in consideration of HK\$0.00001 per Option paid by the Offeror to Dr. Ip and Ms. Chung.

Immediately prior to Completion, the Offeror owned 665,100,000 Shares, representing approximately 19.5% of the total issued share capital of Company. Immediately following Completion and as at the Latest Practicable Date, the Offeror owned 2,043,480,000 Shares, representing approximately 59.9% of the total issued share capital of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had 3,412,565,999 Shares in issue. The Company did not have any outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

The purpose of this Composite Document, of which this letter forms part, is to provide you with, among other things, (i) information relating to the Group and the Offeror; (ii) further details of the Share Offer; (iii) a letter of recommendation from the Independent Board Committee containing the Independent Board Committee's recommendation to the Independent Shareholders in respect of the terms of the Share Offer and as to the acceptance of the Share Offer; and (iv) a letter of advice from the Independent Financial Adviser containing the Independent Financial Adviser's advice and recommendation to the Independent Board Committee in respect of the Share Offer.

## LETTER FROM THE BOARD

### INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

Under Rule 2.1 and Rule 2.8 of the Takeovers Code, a board which receives an offer, or is approached with a view to an offer being made, must, in the interests of shareholders, establish an independent committee of the board to make a recommendation: (i) as to whether or not the terms of the offer are fair and reasonable; and (ii) as to the acceptance of the offer. The Independent Board Committee, comprising all non-executive Directors, namely Mr. WONG Chi Wai, Dr. CHOW Ho Ming and Mr. LO Hang Fong, has been established by the Company to advise the Independent Shareholders in respect of the Share Offer. The above-named non-executive Directors have no direct or indirect interests in the Share Offer and it is considered appropriate for them to be members of the Independent Board Committee in this regard.

As announced by the Company on 3 March 2020, Octal Capital Limited has been appointed with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Share Offer and in particular, as to whether or not the terms of the Share Offer are fair and reasonable and as to the acceptance of the Share Offer.

You are advised to read the “Letter from the Independent Board Committee”, the “Letter from the Independent Financial Adviser” and the additional information contained in the appendices to this Composite Document carefully before taking any action in respect of the Share Offer.

### THE SHARE OFFER

BOCOM Securities is making the Share Offer for and on behalf of the Offeror and BOCOM (Asia) with the terms set out in this Composite Document and in compliance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$0.1147 in cash**

The Share Offer Price of HK\$0.1147 per Offer Share under the Share Offer is approximately equal to but not lower than the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement and has taken into account the consideration paid by the Offeror to Dr. Ip and Ms. Chung for the cancellation of the Ip Options and the Chung Options in the total sum of HK\$1,240.

## LETTER FROM THE BOARD

The Share Offer is extended to all Shareholders other than the Offeror. Each of Dr. Ip, Ms. Chung and Mr. Wan is a Concert Party and has respectively and irrevocably undertaken not to accept the Share Offer in respect of the Ip Retained Shares, the Chung Retained Shares and the Wan Shares.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and any other third party rights of any nature and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Share Offer is made, being the date on which this Composite Document is posted. As at the Latest Practicable Date, (i) the Company has not made, declared or paid any dividend; and (ii) the Company does not have any intention to make, declare or pay any future dividend/make other distributions until the Closing Date.

Further details of the Share Offer including, among other things, its extension to the Overseas Holders, information on taxation, the terms and conditions and the procedures for acceptance and settlement and acceptance period are set out in the “Letter from BOCOM Securities” in this Composite Document, Appendix I to this Composite Document and the accompanying Form of Acceptance.

### INFORMATION ON THE COMPANY AND THE GROUP

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose Shares have been listed on the Main Board of the Stock Exchange since 16 July 2003. The Group is principally engaged in the retail and wholesale of beauty and health-care products in Hong Kong, Macau and the PRC.

Your attention is drawn to Appendix II and Appendix III to this Composite Document which contain further financial and general information of the Group respectively as required under the Takeovers Code.

In particular, your attention is drawn to the following matters in relation to the going concern of the Group:

1. For FY2019, the audit opinion of RSM Hong Kong, the auditor of the Company, included an emphasis of matter paragraph for material uncertainty in relation to going concern but without modification of opinion.
2. The Group incurred a net loss of HK\$130,621,000 for FY2019 and, as at 31 December 2019, the Group’s current liabilities exceeded its current assets by HK\$253,121,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

## LETTER FROM THE BOARD

3. Notwithstanding the above, the consolidated financial statements for FY2019 have been prepared on a going concern basis as the Directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and are satisfied that:
  - (a) The banking facilities from the Group's bankers for its working capital requirements for the next twelve months will be available as and when required, having regard to the following:
    - (i) Up to the date of the consolidated financial statements authorised for issue, the Group's bankers agreed to renew bank borrowings amounting to approximately HK\$24,174,000 currently included in current liabilities as at 31 December 2019.
    - (ii) Undrawn banking facilities amounting to approximately HK\$179,000,000.
  - (b) The Group is able to generate sufficient operating cash flows to meet its current and future obligations.

Having taken into account the above, the Directors consider that the Group will have sufficient financial resources to meet in full its working capital requirements and financial obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements for FY2019 have been prepared on a going concern basis.

4. Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in the consolidated financial statements for FY2019.

For details, please refer to the paragraph headed "1. Summary of financial information of the Group" in Appendix II to this Composite Document. You are advised to read the "Letter from the Independent Financial Adviser" in this Composite Document for the implication on the Share Offer.



## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately prior to Completion; and (ii) immediately after Completion and as at the Latest Practicable Date:

	Immediately prior to Completion		Immediately after Completion and as at the Latest Practicable Date	
	No. of Shares	Approximate %	No. of Shares	Approximate %
<b>The Offeror and the Concert Parties</b>				
The Offeror	665,100,000	19.5	2,043,480,000	59.9
<b>Concert Parties</b>				
Mr. Wan <sup>(Note 1)</sup>	7,300,000	0.2	7,300,000	0.2
Mr. Yip <sup>(Notes 1 and 4)</sup>	2,114,000	0.1	2,114,000	0.1
<b>The Vendors:</b>				
– Dr. Ip <sup>(Notes 1 and 2)</sup>	74,926,000	2.2	3,000,000	0.1
– Ms. Chung <sup>(Notes 1 and 2)</sup>	52,800,000	1.5	52,800,000	1.5
– Dr. Ip and Ms. Chung (in joint names)	16,743,600	0.5	–	–
– PRL <sup>(Notes 1 and 3)</sup>	1,289,710,400	37.8	–	–
Sub-total – the Offeror and the Concert Parties	2,108,694,000	61.8	2,108,694,000	61.8
<b>Public Shareholders</b>	1,303,871,999	38.2	1,303,871,999	38.2
<b>Total:</b>	<b>3,412,565,999</b>	<b>100.0</b>	<b>3,412,565,999</b>	<b>100.0</b>

*Notes:*

- Pursuant to class (6) of the definition of the “acting in concert” under the Takeovers Code, directors of a company (together with their close relatives, related trusts and companies controlled by such directors, close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent are presumed to be acting in concert with others in the same class unless the contrary is established. Given Mr. Wan, Dr. Ip, Ms. Chung, PRL and Mr. Yip are all Directors and thus they are presumed to be parties acting in concert with the Offeror under this class.
- Dr. Ip and Ms. Chung are spouses to each other.
- PRL is wholly-owned by Deco City Limited which in turn is wholly-owned by Dr. Ip and Ms. Chung jointly.
- Mr. Yip is the brother of Dr. Ip.
- Certain percentage figures included in this table have been subject to rounding adjustments. Figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

## LETTER FROM THE BOARD

### INFORMATION ON THE OFFEROR AND ITS FUTURE INTENTION ON THE GROUP

Your attention is drawn to the “Letter from BOCOM Securities” in this Composite Document for the information on the Offeror and his intention regarding the Group.

The Board is aware of the Offeror’s intention in relation to the Group and is willing to render reasonable co-operation with the Offeror and continue to act in the best interests of the Company and the Shareholders as a whole.

### MAINTAINING THE LISTING STATUS OF THE COMPANY AND PUBLIC FLOAT

**The Stock Exchange has stated that if, upon closing of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25%, of the Shares is held by the public, or if the Stock Exchange believes that:**

- (a) a false market exists or may exist in the trading of the Shares; or**
- (b) there are insufficient Shares in public hands to maintain an orderly market,**

**the Stock Exchange will consider exercising its discretion to suspend trading in the Shares until a level of sufficient public float is attained.**

The Board noted from the “Letter from BOCOM Securities” in this Composite Document that the Offeror intends to maintain the listing status of the Shares on the Main Board of the Stock Exchange after the Closing Date. The Board and the Offeror have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares as soon as practicable following the Closing Date. The Company and the Offeror will issue a joint announcement regarding the decision of any such placing down as and when necessary.

### RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” set out on pages 24 to 25 of this Composite Document, which contains the Independent Board Committee’s recommendation to the Independent Shareholders in relation to the Share Offer; and (ii) the “Letter from the Independent Financial Adviser” set out on pages 26 to 43 of this Composite Document, which contains, among other things, the Independent Financial Adviser’s advice and recommendation to the Independent Board Committee as to whether or not the terms of the Share Offer are fair and reasonable so far as the Independent Shareholders are concerned, and as to acceptance thereof, and the principal factors considered by the Independent Financial Adviser in arriving at its advice and recommendation.

The Independent Shareholders are urged to read these letters carefully before taking any action in respect of the Share Offer.

## LETTER FROM THE BOARD

### ADDITIONAL INFORMATION

You are advised to read this Composite Document together with the accompanying Form of Acceptance in respect of the acceptance and settlement procedures of the Share Offer. Your attention is also drawn to the additional information contained in the Appendices to this Composite Document.

In considering what actions to take in connection with the Share Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your professional advisers.

Yours faithfully,  
By order of the Board of  
**Bonjour Holdings Limited**  
**Ip Chun Heng, Wilson**  
*Chairman and executive Director*



**BONJOUR**

**Bonjour Holdings Limited**  
**卓悦控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 653)**

17 April 2020

*To the Independent Shareholders*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
BOCOM INTERNATIONAL SECURITIES LIMITED  
ON BEHALF OF THE OFFEROR  
TO ACQUIRE ALL THE ISSUED SHARES IN THE COMPANY  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY THE OFFEROR)**

We refer to this Composite Document dated 17 April 2020 jointly issued by the Offeror and the Company of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in this Composite Document.

We have been appointed by the Board to constitute the Independent Board Committee to consider the terms of the Share Offer and to make a recommendation to the Independent Shareholders as to whether or not, in our opinion, the terms of the Share Offer are fair and reasonable and to make recommendation as to acceptance thereof. We have declared that we are independent and have no direct or indirect interests in the Share Offer, and therefore are able to consider the terms of the Share Offer and to make recommendations to the Independent Shareholders.

Octal Capital Limited has been appointed as the Independent Financial Adviser to advise us in respect of whether or not the terms of the Share Offer are fair and reasonable and to make recommendations in respect of the acceptance of the Share Offer. Details of its advice and recommendations, together with the principal factors and reasons which it has considered before arriving at such recommendations, are set out in the “Letter from the Independent Financial Adviser” on pages 26 to 43 of this Composite Document. We also wish to draw your attention to the “Letter from BOCOM Securities” and the “Letter from the Board” in this Composite Document as well as the additional information set out in the appendices to this Composite Document.

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

### RECOMMENDATION

Having considered the terms of the Share Offer, taking into account the information contained in this Composite Document and the advice of the Independent Financial Adviser, in particular the factors, reasons and recommendations as set out in the “Letter from the Independent Financial Adviser”, we concur with the view of the Independent Financial Adviser and consider that the terms of the Share Offer are fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to accept the Share Offer.

However, the Independent Shareholders who wish to realise their investments in the Company are reminded to monitor the trading price and liquidity of the Shares during the Offer Period and should, having regard to their own circumstances, consider selling their Shares in the open market instead of accepting the Share Offer if the net proceeds obtained from such disposal of the Shares (after deducting all transaction costs) would be higher than the net proceeds from accepting the Share Offer.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to realise or to hold their investments is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for advice. Furthermore, the Independent Shareholders who wish to accept the Share Offer are recommended to read carefully the procedures for accepting the Share Offer as detailed in Appendix I to this Composite Document and the accompanying Form of Acceptance.

Yours faithfully,  
**Independent Board Committee of  
Bonjour Holdings Limited**

**Mr. Wong Chi Wai**  
*Independent  
non-executive Director*

**Dr. Chow Ho Ming**  
*Independent  
non-executive Director*

**Mr. Lo Hang Fong**  
*Independent  
non-executive Director*

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER



**Octal Capital Limited**  
801-805, 8/F, Nan Fung Tower  
88 Connaught Road Central  
Hong Kong

17 April 2020

*To the Independent Board Committee and  
the Independent Shareholders*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
BOCOM INTERNATIONAL SECURITIES LIMITED  
ON BEHALF OF THE OFFEROR  
TO ACQUIRE ALL THE ISSUED SHARES IN THE COMPANY  
(OTHER THAN THOSE ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY THE OFFEROR)**

### INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Share Offer. Details of the Share Offer are set out in this Composite Document, of which this letter forms a part. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

### THE SALE AND PURCHASE AGREEMENT

On 30 January 2020 (after trading hours), the Offeror as the purchaser entered into the Sale and Purchase Agreement with the Vendors as the vendors, pursuant to which the Offeror agreed to acquire 71,926,000 Shares from Dr. Ip, 16,743,600 Shares jointly held by Dr. Ip and Ms. Chung, and 1,289,710,400 Shares from PRL, representing a total of 1,378,380,000 Shares (equivalent to approximately 40.4% of the total issued share capital of the Company as at the date of the Joint Announcement) for the Consideration of an aggregate amount of HK\$158,000,000, equivalent to HK\$0.1147 per Sale Share (rounded up to 4 decimal places). Upon Completion, Dr. Ip and Ms. Chung continued to respectively hold the Ip Retained Shares and the Chung Retained Shares, representing approximately 0.1% and 1.5% of the total issued share capital of the Company as at the Latest Practicable Date, respectively, whereas PRL ceased to hold any Shares and ceased to be a Shareholder. Completion took place on 9 April 2020.

Immediately prior to Completion, the Offeror owned 665,100,000 Shares, representing approximately 19.5% of the total issued share capital of the Company. Immediately following Completion and as at the Latest Practicable Date, the Offeror owned 2,043,480,000 Shares, representing approximately 59.9% of the total issued share capital of the Company. Accordingly, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror pursuant to Rule 26.1 of the Takeovers Code.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### THE SHARE OFFER

As at the Latest Practicable Date, there were 3,412,565,999 Shares in issue and save for the Ip Options and the Chung Options which were cancelled and surrendered upon Completion, there are no outstanding securities, options, warrants or derivatives in issue which are convertible into or which confer any rights to holder(s) thereof to subscribe for, convert or exchange into Shares, nor are there any agreement entered into by the Company for the issue of such options, derivatives or warrants or other securities of the Company.

Save for (i) the 665,100,000 Shares already owned by the Offeror; (ii) the 1,378,380,000 Shares acquired under the Sale and Purchase Agreement by the Offeror; and (iii) the Excluded Shares, assuming there is no change of issued share capital of the Company up to the Closing Date, 1,305,985,999 Shares are subject to the Share Offer.

BOCOM Securities is making the Share Offer for and on behalf of the Offeror and BOCOM (Asia) with the terms set out in this Composite Document and in compliance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$0.1147 in cash**

The Share Offer Price of HK\$0.1147 per Offer Share under the Share Offer is approximately equal to but not lower than the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement and has taken into account the consideration paid by the Offeror to Dr. Ip and Ms. Chung for the cancellation of the Ip Options and the Chung Options in the total sum of HK\$1,240. The Share Offer is extended to all Shareholders other than the Offeror. Each of Dr. Ip, Ms. Chung and Mr. Wan is a Concert Party and has respectively and irrevocably undertaken not to accept the Share Offer in respect of the Ip Retained Shares, the Chung Retained Shares and the Wan Shares.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and any other third party rights of any nature and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Share Offer is made, being the date on which this Composite Document is posted. As at the Latest Practicable Date, (i) the Company has not made, declared or paid any dividend; and (ii) the Company does not have any intention to make, declare or pay any future dividend/make other distributions until the Closing Date.

The Share Offer is unconditional in all aspects, and is not conditional upon any minimum level of acceptances being received or any other conditions.

### INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. WONG Chi Wai, Dr. CHOW Ho Ming and Mr. LO Hang Fong, has

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

been established by the Company to advise the Independent Shareholders in respect of the Share Offer and in particular, as to whether or not the terms of the Share Offer are fair and reasonable and as to the acceptance of the Share Offer. We, Octal Capital Limited, have been appointed, with approval of the Independent Board Committee, as the independent financial adviser to the Independent Board Committee and Independent Shareholders in respect of the Share Offer.

We are not in the same group as the financial or other professional advisers (including a stockbroker) to the Company, and we are not associated with the Offeror or the Company or any party acting, or presumed to be acting in concert with any of them and we had not had, any connection, financial assistance or otherwise, with either the Offeror or the Company or the controlling shareholder(s) of either of them. Accordingly, we are considered eligible to give independent advice on the Share Offer. In the last two years, there has been no other engagement entered into between the Company and Octal Capital Limited. Apart from normal professional fees paid or payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Offeror or the Company or any party acting, or presumed to be acting, in concert with any of them.

### **BASIS OF OUR OPINION**

In formulating our opinion, we have relied on the information and facts supplied by the Company, and the opinions expressed by the Directors, and have assumed that the information and facts provided and opinions expressed by the Directors to us are true, accurate and complete in all material aspects. We have also relied on our discussion with the Board and/or the management of the Company, given in writing or orally, regarding the Company and the Share Offer, including the information and representations contained in this Composite Document. We have also assumed that all statements of belief, opinion and intention made by the Board and the management of the Company in this Composite Document were reasonably made after due enquiry. We consider that the information we have received is sufficient for us to reach our opinion and give the advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in this Composite Document were true up to the time of the Latest Practicable Date, and that the Shareholders will be informed as soon as reasonably possible if we become aware of any material change to such representations.

We have not considered the tax implications on the Independent Shareholders of their acceptances or non-acceptances of the Share Offer since these are particular to their own individual circumstances. In particular, the Independent Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position with regard to the Share Offer and, if in any doubt, should consult their own professional advisers.



## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### PRINCIPAL FACTORS TAKEN INTO CONSIDERATION ON THE SHARE OFFER

In assessing the Share Offer and in giving our recommendations to the Independent Board Committee and the Independent Shareholders, we have taken into account the following principal factors and reasons:

#### 1. Background of the Group

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose Shares have been listed on the Main Board of the Stock Exchange since 16 July 2003. The Group is principally engaged in the retail and wholesale of beauty and health-care products in Hong Kong, Macau and the PRC.

#### 2. Historical financial performance and prospects of the Group

Set out below is a summary of the consolidated financial information of the Group for each of FY2017, FY2018 and FY2019 as extracted from the annual reports of the Company for FY2018 (the “2018 Annual Report”) and the Final Results Announcement 2019, respectively:

	FY2017 HK\$'000 (Audited)	FY2018 HK\$'000 (Audited)	FY2019 HK\$'000 (Audited)
Turnover	1,934,893	1,793,457	1,458,828
Cost of goods sold	(1,254,665)	(1,157,692)	(968,385)
Gross profit	680,228	635,765	490,443
Gross profit margin	35.1%	35.4%	33.6%
Loss for the year attributable to owners of the Company	(202,342)	(39,613)	(129,648)
Loss per Share (basic and diluted)	HK\$(0.059)	HK\$(0.012)	HK\$(0.038)
Number of retail outlets	38	39	37

*For FY2017 and FY2018*

The Group’s turnover was mainly derived from retail sales of beauty products in Hong Kong, Macau and the PRC, with the majority of turnover being generated in Hong Kong from the sales to the customers from the PRC. For FY2018, the Group recorded turnover of approximately HK\$1,793.5 million, representing a decrease of approximately 7.3% as compared to that for FY2017. As mentioned in the 2018 Annual Report, structural change of the customer mix of the tourists from the PRC who were from lower-tier cities with less spending power affected the Group’s average sales value to each customer although the total number of transactions grew. In addition, the weak Renminbi and uncertain economic environment dampened the attractiveness of Hong Kong goods to customers from the PRC.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The gross profit of the Group decreased by approximately 6.5% from approximately HK\$680.2 million for FY2017 to approximately HK\$635.8 million for FY2018 with a slight increase in gross profit margin by approximately 0.3% mainly due to sales mix improvement and ongoing promotions but the discounts used for sustaining sales flattened the gross profit growth.

The net loss of the Group was approximately HK\$202.3 million for FY2017 while the net loss per Share was approximately HK\$0.059 which was mainly attributable to the provision for impairment loss on available-for-sale financial assets of approximately HK\$140.0 million. The net loss of the Group decreased by approximately HK\$162.7 million for FY2018 to approximately HK\$39.6 million as no further impairment loss on available-for-sale financial assets was recognised for FY2018 coupled with the decrease in operating costs by approximately HK\$92.3 million.

*For FY2018 and FY2019*

For FY2019, the Group recorded turnover of approximately HK\$1,458.8 million, representing a decrease of approximately 18.7% as compared to that for FY2018. The Hong Kong economy saw an abrupt deterioration in 2019 with the global economic slowdown and escalated US-PRC trade tension as a result of the trade war (the “**Trade War**”). Local social incidents (the “**Social Incidents**”) in Hong Kong triggered a slump in inbound tourism that the numbers of tourist arrivals in Hong Kong dropped significantly and led to a decline in the Group’s sales performance. Moreover, the PRC has implemented e-commerce law to restrict surrogate shopping in early 2019. The aim of the e-commerce law is to prohibit surrogate shopping merchant from avoiding taxes by declaring their imports as personal items, which in turn negatively affected the retail sales of the Group.

The gross profit of the Group decreased from approximately HK\$635.8 million for FY2018 to approximately HK\$490.4 million for FY2019 with a slight decrease of gross profit margin by approximately 1.8% mainly due to the implement of promotion campaign and heavy discount policy in order to stimulate the turnover during the economic downturn.

The net loss of the Group increased from approximately HK\$39.6 million for FY2018 to approximately HK\$129.6 million for FY2019 while the loss per Share increased from approximately HK\$0.012 to approximately HK\$0.038 as a result of the deterioration of turnover of the Group.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is a summary of the consolidated statement of financial position of the Group as at 31 December 2017, 2018 and 2019 as extracted from the Final Results Announcement 2019, respectively:

	<b>As at 31 December</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<b>HK\$'000</b> (Audited)	<b>HK\$'000</b> (Audited)	<b>HK\$'000</b> (Audited)
Non-current assets	866,356	831,471	1,197,644
Current assets	549,686	561,688	341,994
<b>Total assets</b>	<b>1,416,042</b>	<b>1,393,159</b>	<b>1,539,638</b>
Non-current liabilities	349,261	270,426	509,097
Current liabilities	425,567	523,048	595,115
<b>Total liabilities</b>	<b>774,828</b>	<b>793,474</b>	<b>1,104,212</b>
Net current assets/(liabilities)	124,119	38,640	(253,121)
<b>Net assets</b>	<b>641,214</b>	<b>599,685</b>	<b>435,426</b>
Gearing ratio <sup>(Note 1)</sup>	0.76 time	0.87 time	0.95 time
Net asset value per Share <sup>(Note 2)</sup>	HK\$0.19	HK\$0.18	HK\$0.13

Notes:

1. Gearing ratio represents the Group's bank and other borrowings divided by its total equity
2. Net asset value per Share represents the Group's net asset value divided by the number of total issued Shares as at the relevant dates

The total assets of the Group amounted to approximately HK\$1,416.0 million, HK\$1,393.2 million and HK\$1,539.6 million as at 31 December 2017, 2018 and 2019, respectively. The total assets remained steady as at 31 December 2017 and 2018, but significantly increased by approximately HK\$146.5 million as at 31 December 2019 mainly due to the recognition of right-of-use assets of approximately HK\$406.3 million under the newly adopted Hong Kong Financial Reporting Standard 16 – Leases on 1 January 2019, and is partially offset by (i) the decrease in cash and cash equivalent by approximately HK\$138.7 million; and (ii) the decrease in inventories by approximately HK\$47.7 million.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at 31 December 2017, 2018 and 2019, the majority of assets of the Group comprised its self-used properties including the Group's office building, one retail outlet and one residential unit (the "Properties"), inventories, cash and cash equivalents and right-of-use assets in respect of the operating leases of the Group's retail outlets, which together accounted for approximately 82.9%, 84.6% and 88.6% of the total assets of the Group, respectively.

The total liabilities of the Group amounted to approximately HK\$774.8 million, HK\$793.5 million and HK\$1,104.2 million as at 31 December 2017, 2018 and 2019, respectively. As at 31 December 2017, 2018 and 2019, bank borrowings, trade payables, loan from a related company and lease liabilities were the major liabilities of the Group, which together accounted for approximately 82.4%, 81.3% and 92.4% of the total liabilities of the Group, respectively.

The Group's gearing ratios were approximately 0.76 time, 0.87 time and 0.95 time as at 31 December 2017, 2018 and 2019, respectively. The gearing ratio of the Group has been increasing as a result of the increase in bank borrowings.

### *Material uncertainty related to going-concern*

In the Final Results Announcement 2019, the Company has extracted the audit opinion (the "Audit Opinion") of RSM Hong Kong (the "Auditor"), the auditor of the Company, on the consolidated financial statements of the Group for FY2019, which included an emphasis of matter paragraph for material uncertainty in relation to going concern but without modification of opinion. As mentioned in the Audit Opinion, the Group incurred a net loss of HK\$130,621,000 for FY2019 and the Group's current liabilities exceeded its current assets by HK\$253,121,000 as at 31 December 2019. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the above, the consolidated financial statements for FY2019 have been prepared on a going concern basis as the Directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and are satisfied that:

- (a) The banking facilities from the Group's bankers for its working capital requirements for the next twelve months will be available as and when required, having regard to the following:
  - (i) Up to the date of the consolidated financial statements authorised for issue, the Group's bankers agreed to renew bank borrowings amounting to approximately HK\$24,174,000 currently included in current liabilities as at 31 December 2019.
  - (ii) Undrawn banking facilities amounting to approximately HK\$179,000,000.
- (b) The Group is able to generate sufficient operating cash flows to meet its current and future obligations.

Having taken into account the above, the Directors consider that the Group will have sufficient financial resources to meet in full its working capital requirements and financial obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements for FY2019 have been prepared on a going concern basis.

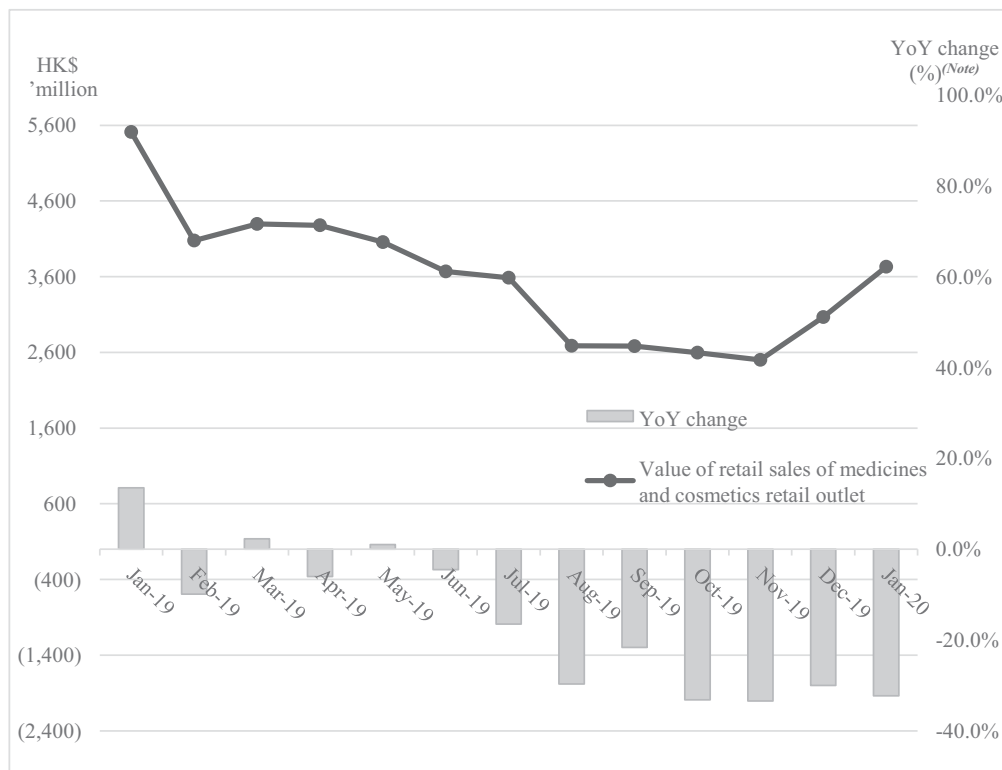
## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For details of the Audit Opinion, please refer to the paragraph headed “1. Summary of financial information of the Group” in Appendix II to this Composite Document.

### *Prospects of the Group*

The retail and wholesale businesses of the Group mainly relied on the consumption of the visitors from the PRC. The Social Incidents in 2019 has dampened the visitor arrivals from the PRC which directly affected the total spending among inbound tourists. Based on the data from the Hong Kong Tourism Board, the number of tourist arrivals from the PRC decreased by approximately 14.2% year-on-year (“YoY”) in 2019.

In light of the outbreak of the novel coronavirus pandemic (“COVID-19”) in early 2020, certain countries or territories have imposed different levels of travel restrictions and border control in order to contain the spread of COVID-19. The outbreak of COVID-19 has further dampened the sales from local consumers and visitors. Set out below is the statistics on the monthly retail sales of medicines and cosmetic retail outlet of Hong Kong from January 2019 to February 2020 (the “Retail Indexes”), published by the Census and Statistics Department of Hong Kong:



*Source:* The Report on Monthly Survey of Retail Sales published by Census and Statistics Department of Hong Kong

*Note:* The percentage changes over the same period of the preceding year

As illustrated in the chart above, the sales value of medicines and cosmetics retail outlet decreased drastically from August 2019 to November 2019. Although there were some signs of improvement in December 2019 and January 2020, the outbreak of COVID-19 has again dampened the sales value and sales volume as a result of the visitor reduction.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In view of the facts that (i) the Group's turnover had been declining from approximately HK\$1,934.9 million for FY2017 to approximately HK\$1,793.5 million for FY2018 to approximately HK\$1,458.8 million for FY2019; (ii) the financial liquidity and leverage position has been deteriorating in recent years; (iii) the decline of number of visitor arrivals to Hong Kong during 2019 and early 2020; and (iv) the decline of retail value and volume of Hong Kong during 2019 and early 2020, we concur with the management's view as stated in the Final Results Announcement 2019 that the Hong Kong consumer market in which the Group is operating in is still surrounded by lots of uncertainties and remains weak and the local retail market would be severely and adversely affected amid the COVID-19 fears.

### 3. Principal terms of the Share Offer

#### (a) *Share Offer Price comparisons*

The Share Offer Price of HK\$0.1147 per Offer Share represents:

- (i) a premium of approximately 14.7% over the last trading price of HK\$0.1000 per Share as quoted on the Stock Exchange on the last trading date prior to the publication of the Rule 3.7 Announcement;
- (ii) a premium of approximately 22.3% over the average closing/last trading price of HK\$0.0938 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the last trading date prior to the publication of the Rule 3.7 Announcement;
- (iii) a premium of approximately 25.1% over the average closing/last trading price of HK\$0.0917 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the last trading date prior to the publication of the Rule 3.7 Announcement;
- (iv) a premium of approximately 27.4% over the average closing/last trading price of HK\$0.0901 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the last trading date prior to the publication of the Rule 3.7 Announcement;
- (v) a discount of approximately 7.5% to the closing price of HK\$0.1240 per Share as quoted on the Stock Exchange immediately before trading in the Shares were halted on 31 January 2020 and being the Last Trading Day;
- (vi) a premium of approximately 13.8% over the average closing/last trading price of HK\$0.1008 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (vii) a premium of approximately 20.9% over the average closing/last trading price of approximately HK\$0.0949 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;

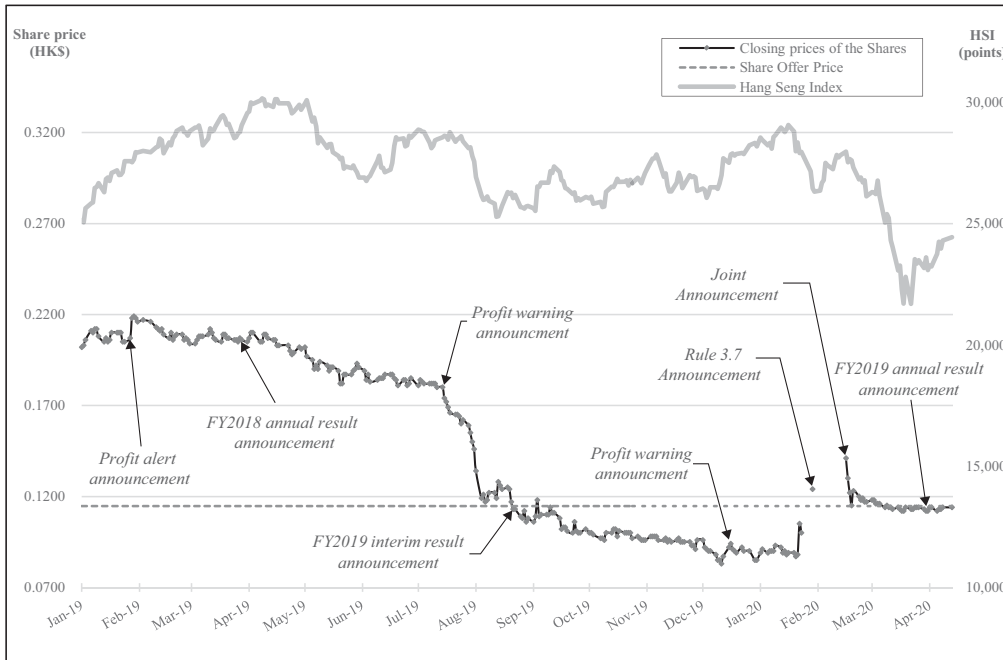
## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (viii) a premium of approximately 25.5% over the average closing/last trading price of HK\$0.0914 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day;
- (ix) a premium of approximately 0.6% to the closing price of HK\$0.114 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (x) a discount of approximately 10.3% to the audited consolidated net asset value attributable to Shareholders (the “NAV”) per Share as at 31 December 2019 of approximately HK\$0.1279; and
- (xi) a discount of approximately 32.8% to the adjusted consolidated net asset value attributable to the Shareholders per Share as at 31 December 2019 of approximately HK\$0.1707 (the “Adjusted NAV”), being the sum of (i) the audited consolidated net assets attributable to the equity holders of the Company as at 31 December 2019 of approximately HK\$436.3 million; and (ii) the revaluation surplus amounted to approximately HK\$146.1 million arising from the excess of market values of the property interests held by the Group as valued by Ascent Partners Valuation Service Limited as at 29 February 2020 over their corresponding book values as at 31 December 2019, divided by 3,412,565,999 Shares in issue as at the Latest Practicable Date.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(b) *Historical price performance of the Shares*

Set out below is the movement of the closing prices of the Shares since 1 January 2019 and up to the Latest Practicable Date and a summary of announcements published by the Company of significant events that took place:



Source: [www.hkex.com.hk](http://www.hkex.com.hk)

The Shares were traded in a generally downward trend during the twelve-month period (i.e. the period from 24 January 2019 to 24 January 2020) prior to the publication of the Rule 3.7 Announcement on 29 January 2020 (the “**Pre-announcement Review Period**”). During the Pre-announcement Review Period, the highest and lowest closing prices of the Shares were HK\$0.219 per Share on 30 January 2019 and HK\$0.083 per Share on 12 December 2019, respectively.

As shown in the chart above, the closing price of the Shares ranged from HK\$0.204 per Share to HK\$0.219 per Share during the period from 1 January 2019 to 29 March 2019, the day on which the 2018 annual results announcement for FY2018 was published. The Share price was on a declining trend dropping from HK\$0.205 per Share on 1 April 2019 to HK\$0.18 per Share on 16 July 2019, being the first trading day after the release of the profit warning announcement for the six months ended 30 June 2019, and further dropped to HK\$0.109 per Share on 26 August 2019, being the first trading day after the release of the interim results announcement for the six months ended 30 June 2019 (the “**2019 Interim Results**”). In the meantime, the Hang Seng Index decreased from approximately 30,000 points to approximately 25,600 points. The declining trend of the Share price was consistent with that of the Hang Seng Index during the corresponding period. On 16 December 2019, the Company released a profit warning announcement for the annual results for



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FY2019, leading to a further drop in the Share price to HK\$0.094 per Share. During the same period, the Hang Seng Index hovered in the range of 25,000 points to 28,000 points, representing that the Share price generally underperformed the market.

From 26 August 2019, being the date on which the 2019 Interim Results was published, to 24 January 2020, being the last trading date of the Shares prior to the publication of the Rule 3.7 Announcement, the Shares traded below the NAV per Share of approximately HK\$0.13 per Share for most of the time during the Pre-announcement Review Period, in which the discounts to the NAV per Share ranged from approximately 1.5% to 36.2% during the Pre-announcement Review Period when the Shares closed below the NAV per Share.

After the publication of the Rule 3.7 Announcement on 29 January 2020 and up to the Latest Practicable Date (the “**Post-announcement Review Period**”), the Share price increased to HK\$0.124 per Share on 30 January 2020, being the first trading day after the release of the Rule 3.7 Announcement, representing an increase of approximately 24.0% from the closing price of the Share on 24 January 2020, on which the trading of the Shares was halted pending the release of the Rule 3.7 Announcement. We consider that the increase in the Share price in the Post-announcement Review Period reflected the market anticipation of the favourable effects of the Share Offer following the Rule 3.7 Announcement, as a result, the comparison of the Share Offer Price against the Share prices in the Pre-announcement Review Period would be more appropriate.

Further, as mentioned in the paragraph headed “(a) Share Offer Price comparisons” above, the Share Offer Price of HK\$0.1147 per Offer Share represents a premium over the last trading price of the Shares for the last five, ten and thirty consecutive trading days prior to the publication of the Rule 3.7 Announcement, respectively.

After taking into account the historical Share prices, there is no assurance that the Share prices will continue to maintain at the current level after the Share Offer closes. Independent Shareholders are reminded to closely monitor the market price of the Shares during the period for the acceptance of the Share Offer.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### (c) Trading liquidity

Set out below in the table are the monthly total trading volumes of the Shares and the percentages of the monthly total trading volume to the total issued Shares and public float of the Company since 1 January 2019 and up to the Latest Practicable Date:

Month	Total trading volume	Average daily trading volume <sup>(Note 1)</sup>	% of the Average daily trading volume to total number of issued Shares as at the end of the relevant month/period <sup>(Note 2)</sup>	% of the Average daily trading volume to total number of issued Shares held by public shareholders as at the end of the relevant month/period <sup>(Note 3)</sup>	Number of trading day in each month/period
<b>2019</b>					
January	12,896,000	586,182	0.02%	0.04%	22
February	12,889,200	758,188	0.02%	0.06%	17
March	13,689,600	651,886	0.02%	0.05%	21
April	26,773,800	1,409,147	0.04%	0.11%	19
May	15,930,200	758,581	0.02%	0.06%	21
June	6,597,600	347,242	0.01%	0.03%	19
1 July to 23 July	6,204,800	387,800	0.01%	0.03%	16
24 July to 31 July	3,886,000	647,667	0.02%	0.05%	6
August	14,071,977	639,635	0.02%	0.05%	22
September	24,136,000	1,149,333	0.03%	0.09%	21
October	29,100,400	1,385,733	0.04%	0.11%	21
November	15,831,200	753,867	0.02%	0.06%	21
December	15,960,600	798,030	0.02%	0.06%	20
<b>2020</b>					
1 January to 24 January	19,170,592	1,127,682	0.03%	0.09%	17
25 January to 31 January	49,427,200	49,427,200	1.45%	3.79%	1
February	238,064,800	23,806,480	0.70%	1.83%	10
March	92,551,800	4,206,900	0.12%	0.32%	22
April (up to the Latest Practicable Date)	44,561,000	5,570,125	0.16%	0.43%	8

Source: [www.hkex.com.hk](http://www.hkex.com.hk)

#### Notes:

- Average daily trading volume is calculated by dividing the total trading volume of the Shares for the month/period by the number of trading days during the month/period.
- The calculation is based on the average daily trading volumes of the Shares divided by the total issued share capital of the Company at the end of each month or as at the Latest Practicable Date, as applicable.
- The total number of Shares held by the public is calculated based on the number of total issued Shares excluding those held by the Offeror and the Directors at the year end of 31 December 2018 or 2019 or as at the Latest Practicable Date, as applicable.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As illustrated in the table above, the average daily trading volume of the Shares has been thin in general during the Pre-announcement Review Period (i.e. the period from 24 July 2019 to 24 January 2020). The monthly average daily trading volume of the Shares as a percentage of the total issued Shares ranged from approximately 0.01% to approximately 0.04%, and the average daily trading volume of the Shares as a percentage of public float of the Company ranged from approximately 0.03% to approximately 0.11% during the Pre-announcement Review Period.

During the Post-announcement Review Period, we noted that there was a substantial increase in trading volume of the Share as a percentage of the total issued Shares ranged from approximately 0.70% to approximately 1.45%, and the average daily trading volume of the Shares as a percentage of public float of the Company ranged from approximately 1.83% to approximately 3.79%, which was likely to have taken into account the market anticipation of the favourable effects of the Share Offer after the publication of publication of the Rule 3.7 Announcement and the Joint Announcement. Taking into consideration that the trading volume of the Shares were generally thin during the Pre-announcement Review Period, the relatively high level of average daily trading volume during the Post-announcement Review Period may not persist if the Share Offer lapses. As such, the Shareholders might not be able to dispose of a significant number of the Shares without causing a downward pressure on the market price of the Shares. The Share Offer offers an opportunity for the Independent Shareholders to dispose of their shareholdings, especially for those holding a large block of the Shares, at the Share Offer Price.

#### 4. Comparison with other comparable companies

As the Group is principally engaged in the retail and wholesale of beauty and health-care products in Hong Kong, Macau and the PRC, reference to price-to-earnings ratio (the “**P/E Ratio**”) is the most common valuation methodology adopted by the investment community for the business of the Group. For the purpose of assessing the reasonableness of the Share Offer Price, we have identified an exhaustive list of three companies listed on the Main Board and GEM of the Stock Exchange, which (i) are principally engaged in the same retail industry sector on beauty and health-care products in Hong Kong and of similar business model to that of the Group; and (ii) has more than 50% of its revenue generated from retail and wholesale of beauty and health-care products in Hong Kong according to their latest published annual financial results (the “**Comparable Companies**”). The list of Comparable Companies represents all of the peers of the Company which are publicly listed in Hong Kong. We therefore are of the view that the sample size is sufficient and the list of Comparable Companies are fair and representative for our analysis considering (i) the close similarity of their business model and products sold in the beauty and health-care retail and wholesale industry; and (ii) the geographical location of their business operation. In order to ensure that the sample size is sufficient for a meaningful comparison, we do not consider a categorisation based on market capitalisation of the Comparable Companies is necessary. Independent

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Shareholders should note that the below comparisons are only for general reference purpose as some aspects including scale of operation, trading prospect, financial performance and capital structure of the Comparable Companies may not be exactly the same with that of the Company. Details of the Comparable Companies are set out below:

Company name	Stock code	Closing share price as at the Last Trading Day (HK\$)	Approximate market capitalisation (HK\$ million)	Latest published earnings per share before the Last Trading Day (HK\$)	Latest published net asset value per Share (HK\$)	P/E Ratio (times)	P/B Ratio (Note 4) (times)
Sa Sa International Holdings Limited (“Sa Sa”)	178	1.82	5,647.8	0.15	0.78	12.00	2.34
Veeko International Holdings Limited (“Veeko”)	1173	0.077	193.9	(0.03)	0.20	N/A <sup>(Note 3)</sup>	0.39
Mi Ming Mart Holdings Limited (“Mi Ming”)	8473	0.225	252.0	0.02	0.10	9.12	2.18
					Maximum	12.00	2.34
					Minimum	9.12	0.39
					Mean	10.56	1.64
					Median	10.56	2.18
Share Offer Price	0.1147	391.4	-0.04	0.13 <sup>(Note 1)</sup> 0.17 <sup>(Note 2)</sup>	N/A <sup>(Note 3)</sup> N/A <sup>(Note 3)</sup>	0.90 0.67	

Source: [www.hkex.com.hk](http://www.hkex.com.hk)

Notes:

- The NAV per Share as at 31 December 2019
- The Adjusted NAV per Share as at 31 December 2019
- N/A refers to unavailable or not meaningful figures
- As defined below

Since the Group recorded net loss for FY2019, therefore the P/E Ratio analysis for the Share Offer Price is not applicable. We therefore adopted price-to-book ratio (the “**P/B Ratio**”) as reference in assessing the reasonableness of the Share Offer Price. Therefore, we analysed the NAV as at 31 December 2019 adjusted with the latest valuation of the Properties (the “**Valuation**”) as at 29 February 2019 which reflects the latest net asset value of the Group. According to the valuation report of the Properties as set out in Appendix V to this Composite Document, the appraised market value of the Properties was approximately HK\$769.7 million as at 29 February 2020, representing a surplus of approximately HK\$146.1 million to the carrying value of the Properties as at 31 December 2019. After taking into account of the Valuation, the Adjusted NAV amounts to approximately HK\$581.5 million while the Adjusted NAV per Share is approximately HK\$0.17 per Share, implying a P/B Ratio of approximately 0.67 time in respect of the Share Offer Price (the “**Implied P/B Ratio**”).

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Upon comparison of the P/B Ratio of the Comparable Companies, where the net asset values of the Comparable Companies have been extracted from their latest published financial statements (i.e. their interim reports for the six months ended 30 September 2019), we noted that the P/B Ratio implied by the Share Offer Price of approximately 0.67 time is within the range of the P/B Ratio of the Comparable Companies which ranges from approximately 0.39 time to 2.34 times, but it is lower than the mean and median of the P/B Ratio of the Comparable Companies of approximately 1.64 times and 2.18 times, respectively.

Among the Comparable Companies, we noted that Veeko recorded net loss for the year ended 31 March 2019 and its shares were traded below its net asset value per share. Although the Implied P/B Ratio of approximately 0.67 time is higher than that of Veeko of approximately 0.39 time, we consider it is not sufficiently representative and our conclusion and view behind this comparable analysis, as stated below, should be based on all the Comparable Companies as a whole.

Although it seems that the Share Offer Price is unattractive to the Independent Shareholders as the Implied P/B Ratio falls below the mean and median of the P/B Ratios of the Comparable Companies, we would like to emphasise that this is merely one of the factors taken into consideration in assessing the fairness and reasonableness of the Share Offer Price as our consideration of the Share Offer Price has been made on an overall basis having considered various principal factors, in particular (i) the Share Offer Price represents a premium over the average trading price of the Shares for the last five, ten and thirty consecutive trading days prior to the publication of the Rule 3.7 Announcement, respectively; (ii) the historical trading volume of the Shares is relatively thin; and (iii) the Implied P/B Ratio is within the range of the Comparable Companies and is higher than that of the comparable company which is also in loss making position, which set out in various sections above and the recommendation section below.

### 5. Other considerations

#### *(a) Intentions of the Offeror in relation to the Group*

It is the Offeror's intention to acquire a majority interest in the Company pursuant to the Sale and Purchase Agreement and the Share Offer. The Offeror intends to maintain the Company's existing principal activities and the Offeror will assist the Company in reviewing its business and operations with a view to formulate a long-term strategy and business plan and seek for new opportunities to enhance and strengthen the business of the Group.

The Offeror has currently no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. The Offeror has currently no plan to terminate the employment of any other employees or other personnel of the Group. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to enhance the value of the Group. As at the Latest Practicable Date, the Offeror had no intention to enter into, nor has he entered into, any negotiation, arrangements or agreements concerning the injection, or disposal, cease or downsize of any existing businesses or assets of the Group.

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*(b) Proposed change of Board composition*

As at the Latest Practicable Date, the Board comprised 8 Directors, comprising 5 executive Directors and 3 independent non-executive Directors. As at the Latest Practicable Date, the Offeror has not decided on the future composition of the Board. Any changes to the Board will be made in compliance with the Takeovers Code, the Listing Rules and the articles of association of the Company, and a separate announcement will be made in this regard as and when appropriate. It is the intention of the Offeror, Dr. Ip and Ms. Chung that both Dr. Ip and Ms. Chung will remain as Directors after the Closing Date.

*(c) Public float and maintaining the listing status of the Company*

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the Closing Date.

The Stock Exchange has stated that if, upon closing of the Share Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

The Board and the Offeror have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares as soon as practicable following the Closing Date.

### RECOMMENDATIONS

Based on our analyses above, although the Implied P/B Ratio falls below the mean and median of the P/B Ratios of the Comparable Companies and having considered the following that:

- (i) the Group had been loss-making for three consecutive financial years and had recorded loss per Share of approximately HK\$0.059, HK\$0.012 and HK\$0.038 for FY2017, FY2018 and FY2019, respectively and the prospect of the Group and the retail sector in Hong Kong is uncertain and challenging despite the Offeror currently has no intention to (a) introduce major changes to the business of the Group; (b) terminate the employment of any employees or other personnel of the Group; and (c) change the future composition of the Board;
- (ii) the Share Offer Price of HK\$0.1147 per Offer Share represents a premium of approximately 14.7% over the closing price of the Shares on the last trading day prior to the publication of the Rule 3.7 Announcement, and premium of approximately 22.3%, 25.1% and 27.4% over the average closing price of the last five trading days, ten trading days and thirty trading days prior to the publication of the Rule 3.7 Announcement, respectively;

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- (iii) the Share Offer represents an opportunity for Independent Shareholders to realise their investment since they may encounter difficulties in liquidating their Shares in the open market, especially when the average trading volume of the Shares has been generally thin despite the surge in the average daily trading volume of the Shares in January to February 2020 after the publication of the Rule 3.7 Announcement; and
- (iv) the Audit Opinion included an emphasis of matter paragraph for material uncertainty in relation to going concern of the Group, however, the Directors consider that the Group will have sufficient financial resources to meet in full its working capital requirements and financial obligations as and when they fall due in the foreseeable future and accordingly the consolidated financial statements of the Group for FY2019 have been prepared on a going concern basis;

we are of the opinion that the terms of the Share Offer are fair and reasonable as far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to accept the Share Offer. Nonetheless, we would like to remind the Independent Shareholders who would like to realise part or all of their investments in the Shares to closely monitor the market price and liquidity of the Shares during the Offer Period and may, instead of accepting the Share Offer, consider selling their Shares in the open market should such sale proceeds, net of all transaction costs, exceed the amount receivable under the Share Offer. The Independent Shareholders who believe that they will not be able to sell the Shares in the market at a price higher than the Share Offer Price because of their size of the shareholding may consider the Share Offer as an alternative exit of their investments.

In any case, the Independent Shareholders should read carefully the procedures for accepting the Share Offer as detailed in this Composite Document and are strongly advised that the decision to realise or to hold their investment in the Shares is subject to individual circumstances and investment objectives.

Yours faithfully,  
For and on behalf of  
**Octal Capital Limited**

**Alan Fung**  
*Managing Director*

**Wong Wai Leung**  
*Executive Director*

*Note: Mr. Alan Fung has been a responsible officer of Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities since 2003. Mr. Fung has more than 25 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions in respect of connected transactions of listed companies in Hong Kong. Mr. Wong Wai Leung has been a responsible officer of Type 1 (dealing in securities), Type 6 (advising on corporate finance) regulated activities since 2008 and Type 9 (asset management) regulated activities. Mr. Wong has more than 20 years of experience in corporate finance and investment banking and has participated in and completed various advisory transactions of listed companies in Hong Kong in respect of the Takeovers Code.*

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*To accept the Share Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Share Offer.*

**1. PROCEDURES FOR ACCEPTANCE OF THE SHARE OFFER FOR INDEPENDENT SHAREHOLDERS**

- (a) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer, you must send the duly completed and signed Form of Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) by post or by hand, marked “Bonjour Holdings Limited — Share Offer” on the envelope, to the Registrar at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, being the agent appointed to receive the Form of Acceptance under the Share Offer, in any event not later than 4:00 p.m. on Friday, 8 May 2020 or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, if necessary, in accordance with the Takeovers Code.
  
- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your holding of Shares (whether in full or in part), you must either:
  - (i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the Form of Acceptance duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
  
  - (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the Form of Acceptance duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or



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- (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set out by HKSCC Nominees Limited. In order to meet the deadline set out by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror, BOCOM Securities, or its agent(s) to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificates to the Registrar on your behalf and to authorise and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.
- (d) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed, signed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, you should also write to the Registrar for a letter of indemnity which,

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when completed in accordance with the instructions given, should be returned to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

- (e) You have to insert the total number of Shares for which the Share Offer is accepted on the Form of Acceptance.
- (f) Acceptance of the Share Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar at or before 4:00 p.m. on Friday, 8 May 2020, being the latest time and date for acceptance of the Share Offer, or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, if necessary, in accordance with the Takeovers Code and the Registrar has recorded that the acceptance and the relevant documents as required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
  - (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of you, the person accepting the Share Offer, executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares;
  - (ii) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (f)); or
  - (iii) certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or power of attorney) to the satisfaction of the Registrar must be produced.

- (g) Seller's Hong Kong ad valorem stamp duty payable by the Shareholders who accept the Share Offer is calculated at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, will be deducted from the amount payable by the Offeror to such person on acceptance of the Share Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant

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Independent Shareholders who accept the Share Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

- (h) No acknowledgement of receipt of any Form of Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

## **2. ACCEPTANCE PERIOD AND REVISIONS**

- (a) Unless the Share Offer has previously been extended, with the consent of the Executive, in accordance with the Takeovers Code, the Form of Acceptance must be received by the Registrar by 4:00 p.m. on Friday, 8 May 2020, being the latest time and date for acceptance of the Share Offer, in accordance with the instructions printed on the Form of Acceptance, and the Share Offer will be closed on Friday, 8 May 2020.
- (b) If the Share Offer is extended or revised, the announcement of such extension or revision shall state the next Closing Date or that the Share Offer will remain open until further notice. For the latter case, at least 14 days' notice in writing will be given to the Independent Shareholders who have not accepted the Share Offer before the Share Offer is closed, and an announcement in respect thereof shall be released.
- (c) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date so extended.
- (d) If, in the course of the Share Offer, the Offeror revises the terms of the Share Offer, the Independent Shareholders, whether or not they have already accepted the Share Offer, will be entitled to accept the revised Share Offer under the revised terms. The revised Share Offer must be kept open for at least 14 days following the date on which the revised composite document is posted and shall not be closed earlier than the Closing Date.
- (e) Any acceptance of the relevant revised Share Offer pursuant thereto shall be irrevocable unless and until the accepting Shareholder becomes entitled to withdraw his acceptance in accordance with the section headed "5. Right of Withdrawal" in this Appendix and duly does so.

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### **3. ANNOUNCEMENTS**

- (a) Pursuant to Rule 19.1 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of his decision in relation to the revision or extension of the Share Offer. The Offeror must publish an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Share Offer and whether the Share Offer has been closed, revised or extended. The announcement must state the following:
- (i) the total number of Shares and rights over Shares for which acceptances of the Share Offer have been received;
  - (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror or the Concert Parties before the Offer Period;
  - (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror or the Concert Parties during the Offer Period;
  - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any of the Concert Parties has borrowed or lent, save for any borrowed securities which have been either on-lent or sold, and the percentages of the relevant classes of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers of Shares;
- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that have been received by the Registrar no later than 4:00 p.m. on the Closing Date shall be included.
- (c) As required under the Takeovers Code, all announcements in respect of the Share Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules respectively.

### **4. NOMINEE REGISTRATION**

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Offer Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Share Offer.

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**5.     RIGHT OF WITHDRAWAL**

- (a)   Acceptance of the Share Offer tendered by the Independent Shareholders or by their agent(s) on their behalf shall be irrevocable and cannot be withdrawn, except in the circumstances set out in (b) below.
- (b)   If the Offeror is unable to comply with the requirements set out in paragraph above headed “3. Announcements”, the Executive may require that the Independent Shareholders who have tendered acceptances to the Share Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.
- (c)   Upon the Independent Shareholders withdrawing their acceptance(s), the Offeror and the Registrar shall, as soon as possible but in any event within 10 days thereof, return the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Independent Shareholder(s) by ordinary post at the relevant Independent Shareholder’s own risk.

**6.     METHOD OF SETTLEMENT FOR INDEPENDENT SHAREHOLDERS**

- (a)   Provided that a valid Form of Acceptance and the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by the Registrar no later than the latest time for acceptance, a cheque for the amount due to each accepting Independent Shareholder less seller’s Hong Kong ad valorem stamp duty in respect of the Offer Shares tendered by him/her/it or his/her/its agent(s) under the Share Offer will be despatched to such Independent Shareholder by ordinary post at his own risk as soon as possible but in any event within seven (7) Business Days following the date of receipt of the duly completed and valid acceptance by the Offeror (or its agent).
- (b)   No fractions of a cent will be payable and the amount of the cash consideration payable for the Offer Shares will be rounded up to the nearest Hong Kong cent.
- (c)   Settlement of the consideration to which any Independent Shareholders are entitled under the Share Offer will be implemented in full in accordance with the terms of the Share Offer (save with respect to the payment of seller’s Hong Kong ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Independent Shareholders.

**7. OVERSEAS HOLDERS**

- (a) This Composite Document will not be filed under the applicable securities or equivalent legislation or rules of any jurisdiction other than Hong Kong.
- (b) The Share Offer is in respect of a company incorporated in the Cayman Islands and listed in Hong Kong and is therefore subject to the procedure and disclosure requirements of laws, regulations and rules in Hong Kong which may be different to those in other jurisdictions.
- (c) The Independent Shareholders who are also Overseas Holders who wish to participate in the Share Offer are subject to, and may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Holders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers.
- (d) It is the responsibilities of the Overseas Holders who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Share Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Holders in respect of such jurisdictions).
- (e) Each Overseas Holder who wishes to accept the Share Offer is also fully responsible for other taxes and duties payable by him/her/it in respect of all relevant jurisdictions. The Offeror and the Concert Parties, the Company, BOCOM (Asia), BOCOM Securities, the Independent Financial Adviser, the Registrar, their respective ultimate beneficial owners, directors, officers, agents and associates and any person involved in the Share Offer shall be entitled to be fully indemnified and held harmless by such Overseas Holder for any taxes, imposts, duties or requisite payment as Overseas Holder may be required to pay.
- (f) Acceptance of the Share Offer by any Overseas Holder will be deemed to constitute a representation and warranty by such person to the Offeror that the local laws and requirements have been complied with and such person is permitted under all applicable laws to accept the Share Offer and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws. The Overseas Holders should consult their professional advisers if in doubt.

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## **8. TAXATION**

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Share Offer. None of the Offeror, the Concert Parties, the Company, BOCOM (Asia), BOCOM Securities, the Independent Financial Adviser, the Registrar and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Share Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Share Offer.

## **9. GENERAL**

- (a) Each Shareholder by whom, or on whose behalf, a Form of Acceptance is executed irrevocably undertakes, represents, warrants and agrees to and with the Offeror, BOCOM Securities, so as to bind him or his personal representatives, heirs, successors and assigns, to the following effect:
  - (i) the Offer Shares acquired under the Share Offer are sold or tendered by such person or persons (I) fully paid; and (II) free from all Encumbrances and any other third party rights of any nature and together with all rights accruing or attaching to them, including, without limitation, the right to receive all dividends and distributions which may be recommended, declared, made or paid, if any, at any time on or after the date on which the Share Offer is made, being the date on which this Composite Document is posted;
  - (ii) if such acceptor is an Overseas Holder, that he has observed the laws of all relevant territories, obtained any and all requisite governmental, exchange control or other consents which may be required, complied with all necessary formalities and paid any and all transfer or other taxes or duties due from him in connection with such acceptance in any territory, that he has not taken or omitted to take any action which will or may result in the Offeror, BOCOM Securities or any other person acting or being in breach of the legal or regulatory requirements of any territory in connection with the Share Offer or his acceptance thereof and he is permitted under the laws of the relevant jurisdictions in connection therewith to receive and accept the Share Offer (and any revision thereof), and that such acceptance is valid and binding in accordance with the laws of the relevant jurisdictions in connection therewith;

<b>APPENDIX I                      FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE SHARE OFFER AND SETTLEMENT</b>
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- (iii) that such Shareholder will deliver or procure the delivery to the Registrar of his relevant Share certificate(s)(if any) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (as applicable);
  - (iv) that acceptance of the Share Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror and BOCOM Securities that the number of Offer Shares indicated in the Form of Acceptance are duly held by such nominee for such beneficial owners who are accepting the Share Offer and the Share Offer is duly and properly accepted in respect of such aggregate number of Offer Shares;
  - (v) that the due execution of the Form of Acceptance in accordance with Note 1 to Rule 30.2 of the Takeovers Code will constitute an irrevocable instruction and authority to the Offeror and BOCOM Securities, and any of their respective directors, officers, advisers, agents or associates to complete, amend and execute, on behalf of the relevant Independent Shareholder who accepts the Share Offer, the Form of Acceptance and any document and, in relation to the Share Offer, to do any other act that may be necessary or expedient for the purpose of vesting in the Offeror, or its nominees or such other persons as the Offeror shall direct, the Offer Shares which are the subject of such acceptance; and
  - (vi) that the terms, provisions, instructions and authorities contained in or deemed to be contained in the Form of Acceptance constitute part of the terms of the Share Offer. The terms of the Share Offer contained in this Composite Document (including the provisions of this Appendix) shall be deemed to be incorporated into the Form of Acceptance which shall be read and construed accordingly.
- (b) All communications, notices, Forms of Acceptance, Share certificates, transfer receipts, other documents of title and/or any satisfactory indemnity or indemnities required in respect thereof and remittances to settle the consideration payable under the Share Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror, BOCOM (Asia), BOCOM Securities, the Independent Financial Adviser or their respective ultimate beneficial owners, directors, officers, advisers, agents or associates nor the Registrar or the company secretary of the Company or any other person involved in the Share Offer accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.



<b>APPENDIX I            FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE    OF THE SHARE OFFER AND SETTLEMENT</b>
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- (c) In making their decision, the Independent Shareholders must rely on their own examination of the Group and the terms of the Share Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Company, the Offeror, BOCOM (Asia), BOCOM Securities, the Independent Financial Adviser, the Registrar or their respective ultimate beneficial owners, directors, officers, advisers, agents or associates. Independent Shareholders should consult their own professional advisers for professional advice.
- (d) The accidental omission to despatch this Composite Document and/or the Form of Acceptance or any of them to any person to whom the Share Offer is made will not invalidate the Share Offer in any way.
- (e) The Share Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (f) Reference to the Share Offer in this Composite Document and in the Form of Acceptance shall include any extension or revision thereof.
- (g) The English text of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese text in case of inconsistency.

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

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

The following is a summary of the consolidated financial information of the Group for FY2017 and FY2018 as extracted from the published annual reports of the Company for FY2017 and FY2018, respectively, and the consolidated financial information of the Group for FY2019 as extracted from the Final Results Announcement 2019:

	FY2019 HK\$'000 (audited)	FY2018 HK\$'000 (audited)	FY2017 HK\$'000 (audited)
<b>Turnover</b>	1,458,828	1,793,457	1,934,893
Cost of goods sold	<u>(968,385)</u>	<u>(1,157,692)</u>	<u>(1,254,665)</u>
<b>Gross profit</b>	490,443	635,765	680,228
Other income	22,380	20,639	43,541
Distribution costs	(44,657)	(57,414)	(50,419)
Administrative expenses	(537,513)	(612,158)	(714,269)
Other operating expenses	<u>(2,102)</u>	<u>(3,045)</u>	<u>(228)</u>
<b>Core operating loss</b>	(71,449)	(16,213)	(41,147)
Loss on disposal of available-for-sale financial assets	–	–	(6,086)
Impairment loss on available-for-sale financial assets	<u>–</u>	<u>–</u>	<u>(140,293)</u>
<b>Loss from operations</b>	(71,449)	(16,213)	(187,526)
Finance costs	<u>(60,139)</u>	<u>(16,860)</u>	<u>(14,769)</u>
<b>Loss before tax</b>	(131,588)	(33,073)	(202,295)
Income tax credit/(expense)	<u>967</u>	<u>(6,540)</u>	<u>(47)</u>
<b>Loss for the year</b>	<u>(130,621)</u>	<u>(39,613)</u>	<u>(202,342)</u>
<b>Loss for the year attributable to:</b>			
Owners of the Company	(129,648)	(39,613)	(202,342)
Non-controlling interests	<u>(973)</u>	<u>–</u>	<u>–</u>
	<u>(130,621)</u>	<u>(39,613)</u>	<u>(202,342)</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company	(133,582)	(41,529)	(212,354)
Non-controlling interests	<u>(973)</u>	<u>–</u>	<u>–</u>
	<u>(134,555)</u>	<u>(41,529)</u>	<u>(212,354)</u>
<b>Loss per Share:</b>			
Basic	<u>HK(3.8) cents</u>	<u>HK(1.2) cents</u>	<u>HK(5.9) cents</u>
Diluted	<u>HK(3.8) cents</u>	<u>HK(1.2) cents</u>	<u>HK(5.9) cents</u>

There were no exceptional items (because of size, nature or incidence) in respect of the consolidated financial information of the Group for FY2017, FY2018 and FY2019.

No dividend was paid or proposed by the Company during each of FY2017, FY2018 and FY2019.

RSM Hong Kong, the auditor of the Company, did not issue any modified opinion on the consolidated financial statements of the Group nor any emphasis of matter or material uncertainty related to going concern of the Group for each of FY2017 and FY2018. For FY2019, the audit opinion of RSM Hong Kong included an emphasis of matter paragraph for material uncertainty in relation to going concern but without modification of opinion, the extract of which as set out in the Final Results Announcement 2019 is as follows:

### **Basis for Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Group incurred a net loss of HK\$130,621,000 during the year ended 31 December 2019 and, as of that date, the Group’s current liabilities exceeded its current assets by HK\$253,121,000. As stated in Note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The following is the extract of Note 1 in the consolidated financial statements as set out in the Final Results Announcement 2019:

#### **1. BASIS OF PREPARATION**

The Group incurred a net loss of HK\$130,621,000 during the year ended 31 December 2019 and, as of that date, the Group’s current liabilities exceeded its current assets by HK\$253,121,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern, therefore, it may be unable to realise its assets and

discharge its liabilities in the normal course of business. Notwithstanding the above, the consolidated financial statements have been prepared on a going concern basis as the directors have given careful consideration to the impact of the current and anticipated future liquidity of the Group and are satisfied that:

- (a) The banking facilities from the Group's bankers for its working capital requirements for the next twelve months will be available as and when required, having regard to the following:
  - (i) Up to the date of the consolidated financial statements authorised for issue, the Group's bankers agreed to renew bank borrowings amounting to approximately HK\$24,174,000 currently included in current liabilities at 31 December 2019.
  - (ii) Undrawn banking facilities amounting to approximately HK\$179,000,000.
- (b) The Group is able to generate sufficient operating cash flows to meet its current and future obligations.

Having taken into account the above, the directors consider that the Group will have sufficient financial resources to meet in full its working capital requirements and financial obligations as and when they fall due in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to classify non-current assets and liabilities as current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

## 2. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The consolidated financial statements of the Group, together with the accompanying notes to the consolidated financial statements, for each of FY2017, FY2018 and FY2019 were disclosed in the following documents which have been published on the respective websites of the Company (<http://corp.bonjourhk.com>) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)):

**Annual report for FY2017 (pages 79 to 164):**

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0417/ltn20190417510.pdf>

**Annual report for FY2018 (pages 83 to 172):**

<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0417/ltn20190417510.pdf>

**Final Results Announcement 2019 (pages 2 to 17):**

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0331/2020033103002.pdf>

On 1 January 2019, the Group adopted Hong Kong Financial Reporting Standard 16 *Leases* (“**HKFRS 16**”) which has been effective for annual periods beginning on or after 1 January 2019.

HKFRS 16 replaces the previous leasing standards including Hong Kong Accounting Standard 17 *Leases* and the related interpretations. HKFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the consolidated statement of financial position. The right-of-use asset is measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the consolidated statement of financial position immediately before the date of initial application. Depreciation expenses associated with the right-of-use assets are charged over the life of the lease on a straight line basis. Interest expenses on the lease liability are charged under finance costs with reference to the incremental borrowing rate of the Group.

The Group has applied the modified retrospective approach permitted by HKFRS 16, under which the cumulative effect of initial application was recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented in respect of FY2018 in the Final Results Announcement 2019 has not been restated. In addition, upon the adoption of HKFRS 16, the Group elected not to recognise right-of-use assets and lease liabilities for some leases of low-value assets (e.g. IT equipment).

### 3. STATEMENT OF INDEBTEDNESS OF THE GROUP

#### Indebtedness

At the close of business on 29 February 2020, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the Group had the following indebtedness:

1. Bank borrowings of approximately HK\$403.7 million which were secured by charges over the Group’s land and buildings;
2. Trade finance loans of approximately HK\$41.2 million;
3. Lease liabilities of approximately HK\$416.6 million in respect of the Group’s right-of-use assets;
4. Amounts due to related companies of approximately HK\$23.3 million;
5. Loan from a related company of approximately HK\$5.0 million; and
6. Other borrowings of approximately HK\$20.0 million.

**Contingent liabilities**

At the close of business on 29 February 2020, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Composite Document, the Group had no contingent liabilities or guarantees.

Save as aforesaid or as otherwise disclosed herein and apart from intra-group liabilities, normal trade and other payables, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding at the close of business on 29 February 2020.

To the best knowledge of the Directors, having made all reasonable enquiries, there has been no material change in indebtedness or contingent liabilities of the Group since 29 February 2020 up to the Latest Practicable Date.

**4. MATERIAL CHANGE**

The Directors confirm that save and except for the below as extracted from the section headed “Event after the Year” in the Final Results Announcement 2019, there was no material change in the financial or trading position or outlook of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date:

- After the outbreak of novel coronavirus disease 2019, though a series of precautionary and control measures have been and continued to be implemented across the globe, such pandemic is still growing exponentially. Based on the Directors’ preliminary business review for the two months ended 29 February 2020, our retail stores operation had been significantly affected as compared with the corresponding period in 2019. The Group will continue to pay close attention to the development of and the disruption to our business activities caused by the COVID-19 and will evaluate its impact on the financial position, cash flows and operating results of the Group.

## 1. RESPONSIBILITY STATEMENT

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

## 2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

<i>Authorised:</i>		<i>HK\$</i>
<u>10,000,000,000</u>	Shares of HK\$0.01 each	<u>100,000,000</u>

*Issued and fully paid up:*

<u>3,412,565,999</u>	Shares of HK\$0.01 each	<u>34,125,659.99</u>
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All of the Shares currently in issue are fully paid up and rank *pari passu* in all respects with each other, including all rights in respect of return of capital, dividends and voting. The issued Shares are listed on the Main Board of the Stock Exchange. No part of the Shares is listed or dealt in, nor is any listing of or permission to deal in the Shares being or proposed to be sought on any other stock exchange.

The Company has not issued any Shares since the end of FY2019.

As at the Latest Practicable Date, save for the 3,412,565,999 Shares in issue, the Company had no other outstanding Shares, options, warrants, derivatives or securities that are convertible or exchangeable into Shares or other relevant securities in the Company.

### 3. MARKET PRICES

The table below sets out the closing prices of the Shares quoted on the Stock Exchange on (i) the last Business Day of each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Dates	Closing price (HK\$)
31 July 2019	0.150
30 August 2019	0.108
30 September 2019	0.102
31 October 2019	0.096
29 November 2019	0.096
31 December 2019	0.085
24 January 2020 <sup>(Note 1)</sup>	0.100
30 January 2020 (being the Last Trading Day)	0.124
31 January 2020 (trading of the Shares was suspended)	–
14 February 2020 <sup>(Note 2)</sup> (trading of the Shares was suspended)	–
28 February 2020	0.117
31 March 2020	0.112
14 April 2020 (being the Latest Practicable Date)	0.114

Notes:

1. Being the last Business Day immediately preceding the date of the Rule 3.7 Announcement.
2. Being the last Business Day immediately preceding the date of the Joint Announcement.

During the Relevant Period, the highest closing price of the Shares was HK\$0.159 per Share as quoted on the Stock Exchange on 29 July 2019 and the lowest closing price of the Shares was HK\$0.083 per Share as quoted on the Stock Exchange on 12 December 2019.

### 4. DISCLOSURE OF INTERESTS

#### (i) Directors

As at the Latest Practicable Date, the interests or short positions of the Directors in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model



Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules; or (iv) to be disclosed under the Takeovers Code were as follows:

*Interest in the Shares*

<b>Name of Director</b>	<b>Capacity and nature</b>	<b>Number of Shares/ underlying Shares held</b>	<b>Approximate percentage of issued share capital</b>
The Offeror	Beneficial owner	2,043,480,000	59.9%
Dr. Ip <sup>(Notes 1 and 2)</sup>	Beneficial owner	3,000,000	0.1%
	Interest of spouse	52,800,000	1.5%
Ms. Chung <sup>(Notes 1 and 2)</sup>	Beneficial owner	52,800,000	1.5%
	Interest of spouse	3,000,000	0.1%
Mr. Wan <sup>(Note 1)</sup>	Beneficial owner	7,300,000	0.2%
Mr. Yip <sup>(Note 1)</sup>	Beneficial owner	2,114,000	0.1%

*Notes:*

1. Dr. Ip, Ms. Chung, Mr. Wan and Mr. Yip are parties acting in concert with the Offeror in accordance with the Takeovers Code.
2. Dr. Ip and Ms. Chung are spouses to each other.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules; or (iv) to be disclosed under the Takeovers Code.

**(ii) Substantial Shareholders**

As at the Latest Practicable Date, the interests or short position of the following persons (including Directors) in the Shares or underlying Shares (i) which were notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO; or which were required, (ii) to be recorded in the register required to be kept by the Company under section 336 of the SFO; or (iii) to be disclosed under the Takeovers Codes were as follows:

*Interest in the Shares*

<b>Name of substantial Shareholder</b>	<b>Capacity and nature</b>	<b>Total interest in the Shares</b>	<b>Approximate percentage of issued share capital</b>
The Offeror	Beneficial owner	2,043,480,000	59.9%

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any person (including Directors) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of the SFO, or required to be disclosed under the Takeovers Code.

**5. DEALINGS IN THE COMPANY**

During the Relevant Period,

- (i) save for:
- (a) the acquisition by the Offeror and the respective disposal of 71,926,000 Shares by Dr. Ip, 16,743,600 Shares jointly held by Dr. Ip and Ms. Chung, and 1,289,710,400 Shares by PRL, representing a total of 1,378,380,000 Shares (equivalent to approximately 40.4% of the total issued share capital of the Company as at the date of the Joint Announcement) for the Consideration of an aggregate amount of HK\$158,000,000 (equivalent to HK\$0.1147 per Sale Share) pursuant to the Sale and Purchase Agreement where Completion of which took place on 9 April 2020; and
  - (b) the surrender of the Ip Options and the Chung Options to the Company by Dr. Ip and Ms. Chung respectively for cancellation upon Completion in consideration of HK\$0.00001 per Option payable by the Offeror to Dr. Ip and Ms. Chung upon Completion, which took place on 9 April 2020,

none of the Directors had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

- (ii) none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of acting in concert or who is an associate of the Company by virtue of class (2) of the definition of associate under the Takeovers Code but excluding exempt principal traders and exempt fund managers (as defined under the Takeovers Code) had dealt for value in any of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (iii) Dr. Ip and Ms. Chung have irrevocably and unconditionally undertaken to the Offeror under the Sale and Purchase Agreement that (i) they would not accept the Share Offer in respect of the Ip Retained Shares and the Chung Retained Shares and (ii) from the date of the Sale and Purchase Agreement until the Closing Date, they would not sell, transfer or dispose of, or engage in any discussion or negotiation to sell, transfer, dispose of or otherwise create any Encumbrance on all or any of the Ip Retained Shares and the Chung Retained Shares. There is no automatic termination provision under the Sale and Purchase Agreement in respect of Dr. Ip's and Ms. Chung's undertakings not to accept the Share Offer, other than due to the termination of the Sale and Purchase Agreement in accordance with the terms thereof in the event Completion fails to take place.

Mr. Wan has given the Wan Irrevocable Undertaking in favour of the Offeror, pursuant to which he has irrevocably and unconditionally undertaken that he, among other things, (i) shall not accept the Share Offer in respect of the Wan Shares; and (ii) shall not, directly or indirectly, sell, transfer or dispose of, or engage in any discussion or negotiation to sell, transfer, dispose of, grant any option or right over, or otherwise create any Encumbrance on all or any of the Wan Shares. The Wan Irrevocable Undertaking shall be effective until the earlier of: (i) the Closing Date; (ii) the date when the Share Offer lapses; (iii) the date when the Share Offer is withdrawn in circumstances permitted under the Takeovers Code; or (iv) the date when the Offer Period in relation to the Share Offer ends.

save for the above undertakings in respect of the Share Offer, no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code (which arrangement includes any arrangement involving rights over the Shares, any indemnity or any agreement or understanding, formal or informal, of whatever nature, relating to Shares or other securities of the Company which may be an inducement to deal or refrain from dealing) with the Company, or with any person who is presumed to be acting in concert with Company by virtue of classes (1), (2), (3) and (5) of the definition of "acting in concert" in the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of "associate" in the Takeovers Code; and

- (iv) no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company, and none of them had dealt for value in the Shares.

As at the Latest Practicable Date:

- i. none of the Directors or any persons acting in concert with them or the Company had borrowed or lent any securities, Shares, options, warrants, derivatives or convertible securities of the Company;
- ii. Dr. Ip and Ms. Chung, who held the Ip Retained Shares and the Chung Retained Shares respectively as at the Latest Practicable Date, had irrevocably and unconditionally undertaken to the Offeror under the Sale and Purchase Agreement that (i) they would not accept the Share Offer in respect of the Ip Retained Shares and the Chung Retained Shares; and (ii) from the date of the Sale and Purchase Agreement until the Closing Date, they would not sell, transfer or dispose of, or engage in any discussion or negotiation to sell, transfer, dispose of or otherwise create any Encumbrance on all or any of the Ip Retained Shares and the Chung Retained Shares;
- iii. Mr. Wan, who held the Wan Shares as at the Latest Practicable Date, had given the Wan Irrevocable Undertaking in favour of the Offeror on 14 February 2020, pursuant to which he has irrevocably and unconditionally undertaken that he, among other things, (i) shall not accept the Share Offer in respect of the Wan Shares; and (ii) shall not, directly or indirectly, sell, transfer or dispose of, or engage in any discussion or negotiation to sell, transfer, dispose of, grant any option or right over, or otherwise create any Encumbrance on all or any of the Wan Shares; and
- iv. Mr. Yip, who held 2,114,000 Shares as at the Latest Practicable Date, intended to reject the Share Offer.

## **6. SHAREHOLDINGS AND DEALINGS IN THE OFFEROR**

The Offeror is an individual and not a company. Hence, neither the Company nor any Director had dealt for value in the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror.

## **7. ARRANGEMENTS AFFECTING DIRECTORS**

As at the Latest Practicable Date:

- i. no benefit (other than statutory compensation) had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Share Offer;

- ii. there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Share Offer or otherwise connected with the Share Offer; and
- iii. save for the Sale and Purchase Agreement, there was no material contract entered into by the Offeror in which any Director (except the Offeror) had a material personal interest.

#### **8. DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT**

As at the Latest Practicable Date , there was no service contract or letter of appointment with any member of the Group or associated companies of the Company in force for the Directors which:

- (i) (including continuous and fixed term contracts) has been entered into or amended within 6 months before the commencement of the Offer Period;
- (ii) is a continuous contract with a notice period of 12 months or more; or
- (iii) is a fixed term contract with more than 12 months to run irrespective of the notice period.

#### **9. MATERIAL LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against the Company nor any of its subsidiaries.

#### **10. MATERIAL CONTRACTS**

There were no contracts (not being contracts in the ordinary course of business carried on or intended to be carried on by the Group) which had been entered into by any member of the Group within the two years immediately preceding the date of commencement of the Offer Period (i.e. 29 January 2018) and up to the Latest Practicable Date, which are or may be material.

**11. QUALIFICATIONS AND CONSENT OF EXPERTS**

The qualifications of the experts who have been engaged by the Company and who have been named in this Composite Document or who have given their opinions or advice, which are contained in this Composite Document are as follows:

<b>Name</b>	<b>Qualifications</b>
Octal Capital Limited	a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee in respect of the Share Offer
RSM Hong Kong	certified public accountants
Ascent Partners Valuation Service Limited	independent qualified property valuer

Each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter, advice and/or references to its name, in the form and context in which they appear herein.

**12. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection (i) on the website of the SFC ([www.sfc.hk](http://www.sfc.hk)); (ii) on the website of the Company ([corp.bonjourhk.com](http://corp.bonjourhk.com)); and (iii) at the principal place of business of the Company in Hong Kong at 12/F., Bonjour Tower, No. 36-50 Wang Wo Tsai Street, Tsuen Wan, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m., Monday to Friday (except public holidays), from the date of this Composite Document up to and including the Closing Date:

- i. the memorandum and articles of association of the Company;
- ii. the annual reports of the Company for each of FY2017 and FY2018 and the Final Results Announcement 2019;
- iii. the "Letter from the Board", the text of which is set out on pages 16 to 23 of this Composite Document;
- iv. the "Letter from the Independent Board Committee", the text of which is set out on pages 24 to 25 of this Composite Document;
- v. the "Letter from the Independent Financial Adviser", the text of which is set out on pages 26 to 43 of this Composite Document;

- vi. the written consents referred to in the paragraph headed “11. Qualifications and Consents of Experts” in this Appendix;
- vii. the valuation certificate and the property valuation report referred to in Appendix V to this Composite Document;
- viii. the irrevocable undertakings referred to in the paragraph headed “5. Dealings in the Company” in this Appendix; and
- ix. a copy of this Composite Document.

### 13. GENERAL

- i. The registered office of the Company is situated at Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands.
- ii. The principal place of business of the Company in Hong Kong is situated at 12/F., Bonjour Tower, No. 36-50 Wang Wo Tsai Street, Tsuen Wan, Hong Kong.
- iii. The Company’s principal share registrar and transfer office is SMP Partners (Cayman) Limited, situated at Royal Bank House, 3/F., 24 Shedden Road, P.O. Box 1586, Grand Cayman, KY1-1110, Cayman Islands.
- iv. The Hong Kong branch share registrar and transfer office of the Company is Union Registrars Limited, situated at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong.
- v. The company secretary of the Company is Ms. Cheng Wai Kam, Kennex.
- vi. The registered office of Octal Capital Limited, the Independent Financial Adviser, is situated at 801-805, 8/F, Nan Fung Tower, 88 Connaught Road Central, Hong Kong.
- vii. The registered office of Ascent Partners Valuation Service Limited is situated at Room 2102, 21/F, Hong Kong Trade Centre, 161-167 Des Voeux Road Central, Hong Kong.
- viii. The Composite Document and the accompanying Form of Acceptance are prepared in both English and Chinese. In the event of inconsistency, the English text shall prevail over the respective Chinese text.

**RESPONSIBILITY STATEMENT**

The Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document in relation to the Offeror and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors (other than the Offeror)) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

**SHAREHOLDINGS AND DEALINGS IN THE COMPANY'S SECURITIES**

Save for the entering into of the Sale and Purchase Agreement, none of the Offeror or the Concert Parties has dealt for value in any Shares, options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

Save for (a) the Sale and Purchase Agreement and the Facility, (b) the 665,100,000 Shares already owned by the Offeror, (c) the 1,378,380,000 Shares acquired under the Sale and Purchase Agreement by the Offeror, (d) the Excluded Shares, (e) the 2,114,000 Shares held by Mr. Yip, (f) the Ip Options and Chung Options which were cancelled and surrendered upon Completion, and (g) the Wan Irrevocable Undertaking, the Offeror confirms that, as at the Latest Practicable Date:

- (i) there is no agreement, arrangement or understanding that any securities of the Company, acquired in pursuance to the Share Offer would be transferred, charged or pledged to any other persons;
- (ii) none of the Offeror and/or the Concert Parties owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (iii) none of the Offeror and/or the Concert Parties has received any irrevocable commitment to accept or reject the Share Offer;
- (iv) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror and/or any of the Concert Parties;
- (v) there is no arrangement of the kind referred to in the third paragraph of Note 8 to Rule 22 of the Takeovers Code which existed between the Offeror, the Offeror's associates (as defined under the Takeovers Code) or any person acting in concert with it and any other person;
- (vi) save for the Completion, there are no conditions to which the Share Offer is subject; there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares and which may be material to the Share Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);



- (vii) there is no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or the Concert Parties and any Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependent upon the Share Offer;
- (viii) there is no agreement or arrangement to which the Offeror or any of the Concert Parties is a party which relates to circumstances in which they may or may not invoke or seek to invoke a pre-condition or a condition to the Share Offer;
- (ix) no benefit (other than statutory compensation) will be given to any Director as compensation for loss of office or otherwise in connection with the Share Offer;
- (x) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and/or any of the Concert Parties has borrowed or lent;
- (xi) there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or the Concert Parties to the Vendors or any parties acting in concert with any of them in connection with the sale and purchase of the Sale Shares, save for the Consideration paid by the Offeror to the Vendors;
- (xii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and the Concert Parties on one hand, and the Vendors and parties acting in concert with any of them on the other hand; and
- (xiii) there is no understanding, arrangement, agreement or special deal between (a) any Shareholder; and (b)(1) the Offeror and the Concert Parties, or (2) the Company, its subsidiaries or associated companies.

**EXPERTS AND CONSENT**

In addition to those listed in the section headed “11. Qualifications and Consent of Experts” in Appendix III to this Composite Document, the following are the qualifications of the experts who have given opinions or advice contained or referred to in this Composite Document:

<b>Name</b>	<b>Qualification</b>
BOCOM (Asia)	a corporation licensed by the SFC to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser of the Offeror in connection with the Share Offer
BOCOM Securities	a corporation licensed by the SFC to carry on Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities) and Type 5 (advising on futures contracts) regulated activities under the SFO, being the agent making the Share Offer on behalf of the Offeror and BOCOM (Asia)

Each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with copy of its letter and the references to its name included herein in the form and context in which they appear herein.

**MISCELLANEOUS**

- (i) The correspondence address of the Offeror is situated at A25, Regalia Bay, 88 Wong Ma Kok Road, Stanley, Hong Kong.
- (ii) The registered office of BOCOM (Asia) is situated at 9/F Man Yee Building, 68 Des Voeux Road, Central, Hong Kong.
- (iii) The registered office of BOCOM Securities is situated at 15/F Man Yee Building, 68 Des Voeux Road Central, Hong Kong.
- (iv) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese text, in case of any inconsistency.

**DOCUMENTS AVAILABLE FOR INSPECTION**

In addition to the documents set forth in the section headed “12. Documents Available for Inspection” in Appendix III to this Composite Document, copies of the following documents are available for inspection (i) on the website of the SFC at [www.sfc.hk](http://www.sfc.hk); (ii) on the Company’s website at <http://corp.bonjourhk.com>; and (iii) at the principal place of business of the Company in Hong Kong at 12/F., Bonjour Tower, No. 36-50 Wang Wo Tsai Street, Tsuen Wan, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m., Monday to Friday (except public holidays), from the date of this Composite Document up to and including the Closing Date:

- (i) the letter from BOCOM Securities as set out on pages 8 to 15 of this Composite Document;
- (ii) the written consents referred to under the section headed “Experts and Consent” in this Appendix;
- (iii) the Sale and Purchase Agreement; and
- (iv) the Wan Irrevocable Undertaking.

*The following is the text of a letter, summary of values and valuation certificates prepared for the purpose of incorporation in this Composite Document received from Ascent Partners Valuation Service Limited, an independent valuer, in connection with its valuation as at 29 February 2020 of the property interests held by the Group.*



Room 2102, 21/F, Hong Kong Trade Centre  
161-167 Des Voeux Road Central  
Hong Kong  
www.ascent-partners.com  
Tel: (852) 3679-3890  
Fax: (852) 3579-0884

17 April 2020

*The Board of Directors*

**Bonjour Holdings Limited**

12/F., Bonjour Tower  
Nos. 36-50 Wang Wo Tsai Street  
Tsuen Wan  
Hong Kong

Dear Sir/Madam

**INSTRUCTIONS**

In accordance with your instructions for us to value the property interests (the “**Properties**”) located in Hong Kong which are held by Bonjour Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”). 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 29 February 2020 (the “**Valuation Date**”) for the purpose of incorporation in the Composite Document of the Company dated 17 April 2020.

This letter which forms part of our valuation report explains the basis and methodologies 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 (“**Market Value**”) which is defined as “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” in accordance with the HKIS Valuation Standards (2017 Edition).

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

In valuing the Properties, we have complied with all the requirements set out in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited, Rule 11 of The Codes on Takeovers and Mergers issued by the Securities and Futures Commission, and the HKIS Valuation Standards (2017 Edition) published by The Hong Kong Institute of Surveyors.

#### **VALUATION METHODOLOGY**

We have valued the property interests on 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.

#### **TITLE INVESTIGATION**

We have carried out title searches at the Land Registry for the property interests located in Hong Kong. We have been, in some instances, provided with the extracts of the documents relating to the Properties. However, we have not verified ownership of the Properties 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.

#### **VALUATION ASSUMPTIONS**

The Market Value has 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.

In undertaking our valuation, we have assumed that, unless otherwise stated, transferable land use rights in respect of the property interests for specific terms at nominal annual land use fees have been granted and that any premium payable has already been fully paid. We have also assumed that the owners of the Properties have enforceable titles to the Properties and have free and uninterrupted rights to use, occupy or assign the Properties for the whole of the respective unexpired terms as granted.

No allowance has been made in our report for any outstanding or additional land premium, charges, mortgages or amounts owing on the property interests valued nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their values.

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

**VALUATION CONSIDERATIONS**

We have relied on 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.

We have inspected the exterior and, wherever possible, the interior of the Properties 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 Properties are 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 approximate. We have not been able to carry out detailed on-site measurements to verify the site and floor areas of the Properties and we have assumed that the areas shown on the copies of documents handed to us are correct.

As advised by the Group, the potential tax liabilities which would arise on the disposal of the property interests held by the Group in Hong Kong at the amount of market value comprise Hong Kong profits tax of 16.5%. Further, as advised by the Group, since the Group has no intention to dispose of its property interests in Hong Kong, it is unlikely that such potential tax liabilities arising from the disposal of the subject properties will be crystallised in the near future.

**REMARKS**

We have prepared the valuation based on pertinent information and market data made available to us at the Valuation Date. Nevertheless, we notice that the outbreak of COVID-19 has caused massive global political, social and economic disturbance on top of the recent tension over international trade dispute. The disturbance may cause fluctuations to the property market. Given the pandemic persists and it should therefore be noted that any disturbance or other unexpected circumstances after the Valuation Date may affect the values of the Properties.

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

Our summary of values and valuation certificates in respect of the property interests are herewith attached.

Yours faithfully,  
For and on behalf of  
**Ascent Partners Valuation Service Limited**  
**Stephen Y. W. Yeung**  
MFin BSc(Hons) Land Adm. MHKIS MCIREA 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. Mr. Yeung is also a valuer on the List of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers published by HKIS.*

## SUMMARY OF VALUES

Property	Market Value in existing state as at 29 February 2020 (HKD)	Interests attributable to the Group	Market Value attributable to the Group (HKD)	
<b>Group I – Property interests held by the Group in Hong Kong</b>				
1	Nos. 36-42 (Block B) and 44-50 (Block A) Wang Wo Tsai Street, Tsuen Wan, New Territories	640,000,000	100%	640,000,000
2	Shops 2 and 3A on Ground Floor of Dang Fat Mansion, Nos. 10-16 and 20 Tai Ho Road, Nos. 8-12 Dung Fat Street and Nos. 7-11 On Wing Street, Tsuen Wan, New Territories	123,000,000	100%	123,000,000
3	Flat C on 9 <sup>th</sup> Floor, Kensington Plaza, No. 98 Parkes Street, Kowloon	<u>6,700,000</u>	100%	<u>6,700,000</u>
	Total:	<u><u>769,700,000</u></u>		<u><u>769,700,000</u></u>



## VALUATION CERTIFICATE

## Group I - Property interests held by the Group in Hong Kong

Property	Description and Tenure	Particular of Occupancy	Market Value in existing state as at 29 February 2020
<p>1 Bonjour Tower, Nos. 36-42 (Block B) and 44-50 (Block A) Wang Wo Tsai Street, Tsuen Wan, New Territories</p> <p>Lot Nos. 458 and 488 in D.D. 443</p>	<p>The property, known as Bonjour Tower (formerly known as Harrington Building) is located at Nos. 36-42 and 44-50 Wang Wo Tsai Street, Tsuen Wan.</p> <p>The property comprises two parcels of land with a total site 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 from the Buildings Department, 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.</p> <p>The total gross floor area and the saleable area of the property 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 lots are held under New Grant Nos. TW3880 and TW4355 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>Pursuant to the tenancy schedule provided by the Group, portions of the property were leased to various parties for various terms at a total monthly rental of HKD1,649,097 inclusive of management fee, government rent and rates under fourteen oral and written tenancy agreements.</p> <p>The remaining portion of the property is currently occupied by the owner for car parking, godown or industrial use or vacant.</p>	<p>HKD640,000,000</p> <p>(100% interest attributable to the Group: HKD640,000,000)</p>

*Notes:*

- (1) The registered owner of the property is Apex Frame Limited, being a wholly-owned subsidiary of the Company, vide Memorial No. 14111202270173 dated 31 October 2014.
- (2) The property is subject to encumbrances as follows:
  - (i) Two Occupation Permits Nos. NT12/73 and NT11/75 for Block A and B dated 25 January 1973 and 29 January 1975 respectively;
  - (ii) A Mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited vide Memorial No. 14111202270182 dated 31 October 2014; and
  - (iii) A Rental Assignment in favour of The Hong Kong and Shanghai Banking Corporation Limited vide Memorial No. 14111202270192 dated 31 October 2014.
- (3) The property lies within an area zoned "Comprehensive Development Area (6)" as stated in the draft Tsuen Wan Outline Zoning Plan No. S/TW/32 dated 13 May 2016.
- (4) Pursuant to fourteen written and oral agreements entered into between Apex Frame Limited and various tenants (the "Lessees"), portions of the property were leased to the Lessees for various term at a total monthly rental of HKD1,649,097 inclusive of management fee, government rent and rates for car parking, godown or industrial use.
- (5) The property is located along Wang Wo Tsai Street in Tsuen Wan. The locality largely comprises various industrial developments with some public housing and private redevelopment projects dispersed in the surroundings. In addition, public facilities including Sam Tung UK Museum and Jockey Club Tak Wah Park can be found nearby. The property is accessible via public transportations and is within 10-minute walking distance to the closest bus station.
- (6) The inspection of the property was carried by Stephen Yeung on 25 March 2020.
- (7) The Group has confirmed as follows:
  - (i) No options or rights of pre-emption concerning or affecting the property;
  - (ii) No environmental issues such as breach of environmental regulations;
  - (iii) No notices, pending litigation, breach of law or title defects affecting the property;
  - (iv) No plans for construction, renovation, improvement or development of the property; and
  - (v) No plans to dispose of or change the use of the property.

## VALUATION CERTIFICATE

## Group I - Property interests held by the Group in Hong Kong

	Property	Description and Tenure	Particular of Occupancy	Market Value in existing state as at 29 February 2020
2	Shops 2 and 3A on Ground Floor of Dang Fat Mansion, Nos. 10-16 & 20 Tai Ho Road, Nos. 8-12 Dung Fat Street and Nos. 7-11 On Wing Street, Tsuen Wan, New Territories  4/256 and 38553/67092 of 4/256 equal and undivided shares of and in Tsuen Wan Town Lot No. 206	The property comprises two retail units on Ground floor of a 25-storey residential building completed in about 1974.  As scaled-off from the building plan, the total saleable area of the property is approximately 1,157.6 square feet.  The lot is held under New Grant No. TW4970 for a term of 99 years commencing on 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.	The property is currently leased as stated in Notes 4 and 5.	HKD123,000,000  (100% interest attributable to the Group: HKD123,000,000)

*Notes:*

- (1) The registered owner of the property is Wealthy Train Limited, being a wholly-owned subsidiary of the Company, vide Memorial No. 13061801950050 dated 31 May 2013.
- (2) The property is subject to encumbrances as follows:
  - (i) A Deed of Covenant vide Memorial No. TW118519 dated 29 November 1974;
  - (ii) A Sub-Deed of Mutual Covenant vide Memorial No. TW1165890 dated 29 August 1997 (RE: Shop 3A);
  - (iii) A Mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited vide Memorial No. 14111402670098 dated 31 October 2014; and
  - (iv) A Rent Assignment in favour of The Hong Kong and Shanghai Banking Corporation Limited vide Memorial No. 14111402670108 dated 31 October 2014.
- (3) The property lies within an area zoned "Residential (Group A)" as stated in the Approved Tsuen Wan Outline Zoning Plan No. S/TW/33 dated 28 April 2017.
- (4) Pursuant to a tenancy agreement dated 16 April 2018 entered into between Wealthy Train Limited as the lessor and Bonjour Cosmetic Wholesale Center Limited as the lessee, the property was leased for a term of two years commencing on 16 April 2018 and expiring on 15 April 2020 at a monthly rental of HKD270,000 exclusive of rates, management fee and other outgoings but inclusive of Government rent.
- (5) Pursuant to a supplemental agreement dated 29 November 2019 entered into between Wealthy Train Limited as the lessor and Bonjour Cosmetic Wholesale Center Limited as the lessee, the monthly rental of the tenancy agreement stated in Note (4) was revised to HKD230,000 for the period from 1 July 2019 to 31 December 2019.
- (6) The property is located along Tai Ho Road abutting to On Wing Street and Dung Fat Street in Tsuen Wan. The locality largely comprises various tenement buildings as well public housing estates and private estate-type residential developments and schools including Hoi Pa Street Government Primary School and Tsuen Wan Government Secondary School. The property is accessible via public transportations and Tsuen Wan MTR Station is within 5-minute walking distance.
- (8) The inspection of the property was carried by Stephen Yeung on 25 March 2020.
- (9) The Group has confirmed as follows:
  - (i) No options or rights of pre-emption concerning or affecting the property;
  - (ii) No environmental issues such as breach of environmental regulations;
  - (iii) No notices, pending litigation, breach of law or title defects affecting the property;
  - (iv) No plans for construction, renovation, improvement or development of the property; and
  - (v) No plans to dispose of or change the use of the property.

## VALUATION CERTIFICATE

## Group I - Property interests held by the Group in Hong Kong

	Property	Description and Tenure	Particular of Occupancy	Market Value in existing state as at 29 February 2020
3	<p>Flat C on 9<sup>th</sup> Floor, Kensington Plaza, No.98 Parkes Street, Kowloon</p> <p>662/109850 equal and undivided shares of and in Section B, C, D, E, F and the Remaining Portion of Kowloon Inland Lot No. 1470</p>	<p>The property comprises one flat on the ninth floor of an 18-storey residential building completed in about 1999.</p> <p>According to the property information provided by the Rating and Valuation Department, the saleable area of the property is approximately 476.8 square feet.</p> <p>The lot is held under Government Lease for a term of 75 years renewable for 75 years commencing on 9 October 1917. The Government rent payable for the lots is HKD205,566 per annum.</p>	<p>As confirmed by the Group, the property is currently owner-occupied.</p>	<p>HKD6,700,000</p> <p>(100% interest attributable to the Group: HKD6,700,000)</p>

*Notes:*

- (1) The registered owner of the property is Bonjour Cosmetic Wholesale Centre Limited, being a wholly-owned subsidiary of the Company, vide Memorial No. UB8217730 date 25 September 2000.
- (2) The property is subject to encumbrances as follows:
  - (i) A Deed of Mutual Covenant vide Memorial No. UB7753709 dated 14 April 1999; and
  - (ii) An Occupation Permit No. K7/99 vide Memorial No. UB7779589 dated 25 March 1999.
- (3) The property lies within an area zoned "Commercial" as stated in the draft Yau Ma Tei Outline Zoning Plan No. S/K2/22 dated 16 May 2014.
- (4) The property is a stand-alone building located along Parkes Street in a shopping district. The locality mainly comprises various office building, hotels and department stores. Temple Street Night Market, one of the most popular street bazaars in Hong Kong, is also in the vicinity. The property is accessible via public transportations and Jordan MTR Station is within 5-minute walking distance.
- (5) The inspection of the property was carried by Stephen Yeung in 23 March 2020.
- (6) The Group has confirmed as follows:
  - (i) No options or rights of pre-emption concerning or affecting the property;
  - (ii) No environmental issues such as breach of environmental regulations;
  - (iii) No notices, pending litigation, breach of law or title defects affecting the property;
  - (iv) No plans for construction, renovation, improvement or development of the property; and
  - (v) No plans to dispose of or change the use of the property.