卓悅控股有限公司
BONJOUR Holdings Limited
Hong Kong Stock Code 653

Bonjour Holdings Limited
卓悅控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 653)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The Board of Directors (the "**Board**" or the "**Directors**") of Bonjour Holdings Limited (the "**Company**") hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively, "**Bonjour**" or the "**Group**") for the year ended 31 December 2023 (the "**Year**") with comparative figures for the previous year as follows.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Turnover	*3*	**950,271**	185,662
Cost of goods sold		**(887,219)**	(151,908)
Gross profit		**63,052**	33,754
Other income		**9,628**	7,345
Gain on disposal of subsidiaries, net		**–**	350,031
Gain on deconsolidation of a subsidiary	*5*	**102,996**	–
Distribution costs		**(15,166)**	(16,369)
Administrative expenses		**(116,059)**	(154,641)
Other operating expenses		**–**	(125)
Share of result of a joint venture	*12*	**24,775**	(7,787)
Impairment loss on rental and utility deposits		**–**	(7,621)
Impairment loss on trade and other receivables		**(1,072)**	(3,625)
Impairment loss on right-of-use assets		**(162)**	(1,849)
Profit from operations		**67,992**	199,113
Finance costs	*6*	**(13,381)**	(34,624)
Profit before tax		**54,611**	164,489
Income tax (expense)/credit	*7*	**(640)**	2,732
Profit for the year	*8*	**53,971**	167,221
Earnings per share:			
Basic and diluted	*10*	**HK1.5 cents**	HK4.8 cents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	2023	2022
	HK$'000	*HK$'000*
Profit for the year	**53,971**	167,221
Other comprehensive income/(expense) for the year, net of tax:		
Items that will not be subsequently reclassified to profit or loss:		
Remeasurement gains on long service payment liabilities	**98**	164
Fair value changes of financial assets at fair value through other comprehensive income ("**FVTOCI**")	**(4,734)**	(13,275)
	(4,636)	(13,111)
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	**(2)**	(118)
Other comprehensive expense for the year	**(4,638)**	(13,229)
Total comprehensive income for the year	**49,333**	153,992

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	2023 HK$'000	2022 HK$'000
Non-current assets			
Property, plant and equipment		**820**	1,440
Right-of-use assets		**37,562**	53,323
Intangible assets		**–**	–
Rental and utility deposits		**1,991**	7,401
Financial assets at FVTOCI	*11*	**409**	349
Investments in associates		**551**	–
Investment in a joint venture	*12*	**368,400**	343,625
Other receivables		**–**	4,900
		409,733	411,038
Current assets			
Inventories		**9,657**	7,127
Trade receivables	*13*	**1,160**	777
Rental and utility deposits		**6,826**	4,238
Prepayments, deposits and other receivables		**60,623**	40,277
Financial assets at FVTOCI	*11*	**–**	24,021
Bank and cash balances		**16,109**	17,929
		94,375	94,369
Current liabilities			
Trade payables	*14*	**4,811**	17,365
Other payables, deposits received and accrued charges		**58,817**	127,716
Contract liabilities		**8,355**	–
Amounts due to former related parties		**–**	35,490
Amount due to the controlling shareholder		**32,142**	30,118
Bank and other borrowings		**15,334**	22,097
Lease liabilities		**27,910**	31,323
		147,369	264,109
Net current liabilities		**(52,994)**	(169,740)
Total assets less current liabilities		**356,739**	241,298

	Notes	**2023**	2022
		HK$'000	*HK$'000*
Non-current liabilities			
Other borrowings		**32,179**	19,666
Lease liabilities		**41,085**	65,205
Long service payment liabilities		**1,239**	1,039
		74,503	85,910
Net assets		**282,236**	155,388
Capital and reserves			
Share capital	*15*	**47,543**	35,126
Reserves		**234,693**	120,262
Total equity		**282,236**	155,388

Notes:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

Bonjour Holdings Limited (the "**Company**") was incorporated in the Cayman Islands with limited liability. The address of its registered office is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands and its principal place of business is 12/F., Bonjour Tower, No. 36-50 Wang Wo Tsai Street, Tsuen Wan, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. On 9 January 2023, the Group has lost control over Hop Fung Lung Limited, formerly known as Bonjour Cosmetic Wholesale Center Limited, which was principally engaged in wholesaling and retailing of beauty, healthcare and lifestyle products in Hong Kong, subject to a winding-up order was made by the High Court to appoint an official receiver as a provisional liquidator to liquidate the company. Further details are described in note 5.

As at 31 December 2023, the Board of Directors of the Company (the "**Directors**") consider the immediate parent and ultimate controlling party of the Company to be Mr. Chen Jianwen.

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**") which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards ("**HKAS**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the accounting principles generally accepted in Hong Kong.

These consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange.

These consolidated financial statements have been prepared on the historical cost basis except for certain financial assets stated at their fair value.

The preparation of these consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgements about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These consolidated financial statements are presented in Hong Kong dollars ("**HK$**") which is also the functional and presentation currency of the Company.

Going concern assessment

During the year ended 31 December 2023, the Group incurred net cash outflows from operating activities of HK$58,951,000 and, as of that date, the Group had net current liabilities of HK$52,994,000. The Group's business operations are mainly financed by bank and other borrowings, loans from the controlling shareholder and internal source of financing. As at 31 December 2023, the Group's bank and cash balances amounted to HK$16,109,000. In view of these circumstances, the Directors have been continuously implementing measures to improve and maintain the Group's liquidity which include:

(a) Mr. Chen Jianwen, the ultimate controlling shareholder, has agreed and committed to continue to support financially the operations of the Group to meet all third-party obligations for at least the ensuing twelve-month period after 31 December 2023;

(b) The Group has taken various cost control measures to tighten the costs of operations;

(c) The Group is actively negotiating with external parties and banks to obtain new sources of financing to finance the Group's working capital and improve the Group's liquidity position; and

(d) The Group will continue to maintain its relationship with the parties providing facilities to the Group and comply with any covenant requirements.

In assessing the Group's ability to continue as a going concern, the Directors have prepared a cash flow forecast which covers a period of not less than twelve months from 31 December 2023. The Directors' cash flow forecast made certain key assumptions with regard to the anticipated cash flows from the Group's business operations and the availability of financing facilities from external parties and the controlling shareholder. As at the date of authorisation of these consolidated financial statements, the Group has unutilised financing facilities from Mr. Chen and external parties amounting to HK$72,000,000 and HK$36,000,000 respectively.

The Group's ability to achieve the cash flow forecast depends on management's ability to successfully implement the improvement measures (from (b) to (d) described above) on the profitability and the continuous availability of those financing facilities. These events or 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 Directors after making due inquiries and considering the basis of cash flow forecast and taking into account the above measures, conclude the Group will have sufficient financial resources to meet in full of its working capital requirements and financial obligations as and when they fall due in the foreseeable future. Accordingly, these consolidated financial statements have been prepared on a going concern basis.

2. ADOPTION OF NEW AND AMENDED HKFRSs

2.1 New and amended HKFRSs that are effective for annual periods beginning on 1 January 2023

In the current year, the Group has applied the following new and amended HKFRSs issued by the HKICPA for the first time, which are relevant to the Group's operations and effective for the annual periods beginning on 1 January 2023 in the preparation of these consolidated financial statements:

HKFRS 17	Insurance Contracts and related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

2.2 Issued but not yet effective HKFRSs

The Group has not applied any amended HKFRSs that have been issued but are not yet effective for the financial year beginning on 1 January 2023. These amended HKFRSs include the following which may be relevant to the Group.

	Effective for annual periods beginning on or after
Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet determined
Amendments to HKFRS 16 – Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to HKAS 1 – Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5	1 January 2024
Amendments to HKAS 1 – Non-current Liabilities with Covenants	1 January 2024
Amendments to HKAS 7 and HKFRS 7 – Supplier Finance Arrangements	1 January 2024
Amendments to HKAS 21 – Lack of Exchangeability	1 January 2025

The Directors are in the process of making assessments of what the impact of these amended HKFRSs that are expected to be in the period of initial application on or after the effective date of the pronouncement. The Directors consider that the initial application of these standards is unlikely to have a significant impact on the consolidated financial statements.

3. TURNOVER

An analysis of the Group's turnover by major products recognised during the year is as follows:

	2023	2022
	HK$'000	*HK$'000*
Revenue from contracts with customers within the scope of HKFRS 15:		
Sales of beauty, healthcare and lifestyle products	**64,824**	75,481
Sales of technology products	**885,447**	110,181
	950,271	185,662
Timing of revenue recognition:		
At a point in time	**950,271**	185,662

4. SEGMENT INFORMATION

The Group manages its business by business lines and geographical locations in a manner consistent with the information reported internally to the management for resources allocation and review of performance. The chief operating decision maker (the "**CODM**"), being the Executive Directors, has identified the business lines into two reportable segments.

(a) Reportable segment information

	Wholesaling and retailing of beauty, healthcare and lifestyle products	Wholesaling of technology products	Unallocated corporate assets and liabilities	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
For the year ended 31 December 2023:				
Reportable segment turnover	**64,824**	**885,447**	**–**	**950,271**
Reportable segment cost of goods sold	**(18,092)**	**(869,127)**	**–**	**(887,219)**
Reportable segment gross profit	**46,732**	**16,320**	**–**	**63,052**
As at 31 December 2023:				
Reportable segment assets	**75,043**	**26,269**	**402,796**	**504,108**
Reportable segment liabilities	**(156,969)**	**–**	**(64,903)**	**(221,872)**
For the year ended 31 December 2022:				
Reportable segment turnover	75,481	110,181	–	185,662
Reportable segment cost of goods sold	(46,697)	(105,211)	–	(151,908)
Reportable segment gross profit	28,784	4,970	–	33,754
As at 31 December 2022:				
Reportable segment assets	96,249	17,774	391,384	505,407
Reportable segment liabilities	(263,909)	–	(86,110)	(350,019)

(b) Disaggregation of revenue from contracts with customers

Disaggregation of turnover by the timing of revenue recognition within the scope of HKFRS 15 attributable to the reportable segment turnover is set out below:

	Wholesaling and retailing of beauty, healthcare and lifestyle products *HK$'000*	**Wholesaling of technology products** *HK$'000*	**Total** *HK$'000*
For the year ended 31 December 2023:			
– At a point in time	**64,824**	**885,447**	**950,271**
For the year ended 31 December 2022:			
– At a point in time	75,481	110,181	185,662

(c) Geographical information

The Group's turnover from external customers is categorised by the geographical markets based on the locations where the goods delivered and the Group's non-current assets is categorised by the physical locations of the assets (other than financial instruments, investment in a joint venture and investments in associates) are detailed below:

	Turnover		**Non-current assets**	
	2023 *HK$'000*	2022 *HK$'000*	**2023** *HK$'000*	2022 *HK$'000*
Hong Kong	**934,619**	177,660	**38,187**	54,310
Macau	**15,652**	8,002	**195**	453
	950,271	185,662	**38,382**	54,763

(d) Revenue from major customers

The Group's customers who contributed more than 10% of the Group's total turnover for both current and prior years is mainly attributable to one of the reportable segments, i.e. Wholesaling of technology products, are set out below:

	2023 *HK$'000*	2022 *HK$'000*
Wholesaling of technology products:		
Customer A	**393,878**	–
Customer B	**198,065**	–
Customer C	**–**	65,758
Customer D	**–**	23,028
Customer E	**–**	21,395

5. DECONSOLIDATION OF A SUBSIDIARY

On 9 January 2023, a winding-up order was made by the High Court against Hop Fung Lung Limited at the hearing pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). An official receiver was appointed as a provisional liquidator of Hop Fung Lung Limited to liquidate the company. As a result, the Group has lost control over Hop Fung Lung Limited and ceased to be a subsidiary of the Company on the same date.

Analysis of assets and liabilities of Hop Fung Lung Limited over which control was lost:

	HK$'000
Property, plant and equipment	390
Right-of-use assets	486
Trade and other receivables	6,378
Bank and cash balances	431
Trade and other payables	(110,681)
Amounts due to group companies	(379,908)
Net liabilities deconsolidated	**(482,904)**

Gain on deconsolidation of a subsidiary:

	HK$'000
Net liabilities deconsolidated	482,904
Less: Amounts due from Hop Fung Lung Limited	(379,908)
Gain on deconsolidation of a subsidiary (note)	**102,996**

Note: The gain on deconsolidation of a subsidiary is disclosed separately in the consolidated statement of profit or loss.

Net cash outflow on deconsolidation of a subsidiary:

	HK$'000
Bank and cash balances	(431)

6. FINANCE COSTS

	2023	2022
	HK$'000	*HK$'000*
Interest expense on lease liabilities	**6,796**	6,116
Interest expense on bank and other borrowings	**4,899**	21,868
Interest expense on convertible loans	**–**	6,522
Interest expense on amount due to the controlling shareholder	**1,648**	118
Interest expense on long service payment liabilities	**38**	–
	13,381	34,624

7. INCOME TAX (EXPENSE)/CREDIT

Income tax (expense)/credit recognised in profit or loss during the year is as follows:

	2023	2022
	HK$'000	*HK$'000*
Current tax – Hong Kong Profits Tax:		
Provision for the year	**(640)**	–
Current tax – Overseas:		
Over-provision in prior years	**–**	2,732
	(640)	2,732

Hong Kong Profits Tax is provided at 16.5% (2022: 16.5%) of the estimated assessable profits for the year, except for one of the Company's subsidiary incorporated in Hong Kong is a qualifying corporation under the two-tiered profits tax regime.

Under this regime, the first HK$2 million of assessable profits of such subsidiary is taxed at 8.25% and the remaining assessable profits is taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2022.

PRC Enterprise Income Tax is provided at 25% (2022: 25%) of the estimated assessable profits for the year. Macau SAR Complementary Tax is provided at 12% (2022: 12%) of the estimated assessable profits for the year.

Taxation for overseas subsidiaries is provided at the appropriate rates prevailing in the relevant countries where the Group operates based on the existing legislation, interpretation and practices.

8. PROFIT FOR THE YEAR

Profit for the year is arrived at after charging/(crediting) the following items:

	2023	2022
	HK$'000	*HK$'000*
Auditor's remuneration	**2,380**	2,180
Cost of goods sold *(note)*	**887,219**	151,908
Depreciation of property, plant and equipment	**247**	884
Depreciation of right-of-use assets	**23,396**	26,731
Short-term leases expense	**1,938**	7,419
Staff costs, including Directors' emoluments:		
– Salaries and discretionary bonus	**56,814**	67,312
– Contributions to defined contribution retirement plans	**2,028**	2,421
– Reversal of provision for unutilised annual leave	**–**	(2,006)
– Provision for long service payments	**260**	373

Note: Cost of goods sold includes the reversal of allowance for slow-moving inventories of HK$12,560,000 (2022: HK$8,000,000).

9. DIVIDENDS

The Directors do not recommend the payment of interim and final dividends attributable to owners of the Company for both current and prior years.

10. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	2023	2022
	HK$'000	*HK$'000*
Earnings:		
Profit for the year attributable to owners of the Company	**53,971**	167,221

	2023	2022
Number of shares:		
Issued ordinary shares at 1 January	**3,512,565,999**	3,512,565,999
Effect of shares issued under capitalisation of shareholder's loan	**190,515,068**	–
Weighted average number of ordinary shares at 31 December	**3,703,081,067**	3,512,565,999

The effect of potential ordinary shares was anti-dilutive for both current and prior years. Hence, the weighted average number of ordinary shares was used as a denominator for calculating the basic and diluted earnings per share for both current and prior years.

11. FINANCIAL ASSETS AT FVTOCI

	2023	2022
	HK$'000	*HK$'000*
Listed equity securities	**–**	24,021
Unlisted equity securities	**409**	349
	409	24,370

The carrying amounts of the listed and unlisted equity securities as at 31 December 2022 and 2023 were denominated in the following currencies:

	2023	2022
	HK$'000	*HK$'000*
HK$	**–**	24,021
United States dollars ("**USD**")	**409**	349
	409	24,370

The Group designated its investments in listed and unlisted equity securities as FVTOCI (non-recycling) given that they are held for strategic investment purpose. No dividend was received nor transfer within the equity other than disposals for both current and prior years.

As at 31 December 2022, the fair value of the listed equity securities was measured at the market bid price quoted in the Stock Exchange (categorised as Level 1 of the fair value hierarchy), whereas the fair value of the unlisted equity securities as at 31 December 2022 and 2023 was measured with reference to the valuation carried out by the independent professional valuer due to the absence of market bid price in an active market (categorised as Level 3 of the fair value hierarchy). The valuation applied market comparable approach using the enterprises' value-to-sales ratio of comparable enterprises adjusted for lack of marketability discount.

12. INVESTMENT IN A JOINT VENTURE

	2023	2022
	HK$'000	*HK$'000*
Unlisted equity investment:		
At 1 January	**343,625**	–
Capital contribution	**–**	351,412
Share of result of a joint venture	**24,775**	(7,787)
At 31 December	**368,400**	343,625

Details of the Group's joint venture as at 31 December 2022 and 2023 are as follows:

Name of joint venture	**Form of business structure**	**Place of incorporation and business**	**Particulars of issued and paid up share capital**	**Percentage of ownership interest**	**Principal activity**
CR Business Innovation Investment Fund L.P. (the "**Fund**")	Exempted limited partnership	The Cayman Islands	HK$550,000,000 *(note)*	75% (2022: 75%)	Property investment

Note: The total amount of capital contribution of HK$550,000,000 is not subject to any specific due date of the contribution. As at 31 December 2022 and 2023, the Group has an outstanding capital commitment of HK$61,088,000 to the Fund.

On 28 March 2022, Bonjour Investment Management Limited, a wholly-owned subsidiary of the Company ("**Bonjour Investment**"), CR Capital Investment (Cayman) Limited ("**CRCI**") (together with Bonjour Investment, the "**Limited Partner(s)**") and CR Business Innovation Investment GP Company Limited (the "**General Partner**"), entered into a limited partnership agreement (the "**Limited Partnership Agreement**") and a subscription agreement, pursuant to which all parties agreed that the Limited Partners shall contribute HK$550,000,000 to the Fund in accordance with the Limited Partnership Agreement. On 29 June 2022, the Group disposed the entire equity interest in Apex Centric Investment Limited and Apex Frame Limited, wholly-owned subsidiaries of the Company to the Fund.

The equity interests in the Fund is accounted for using the equity method.

Summarised financial information of the Fund, adjusted for any difference in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements are disclosed below:

	2023	2022
	HK$'000	*HK$'000*
Current assets	**7,341**	8,621
Non-current assets	**985,359**	844,804
Current liabilities	**(42,458)**	(13,282)
Non-current liabilities	**(527,066)**	(450,000)
Net assets	**423,176**	390,143
Included in the above assets and liabilities:		
Bank and cash balances	**7,341**	8,621
Non-current financial liabilities (excluding trade and other payables and provisions)	**527,006**	450,000

	2023	Period from 29 June 2022 to 31 December 2022
	HK$'000	*HK$'000*
Revenue	**27,412**	13,718
Profit/(loss) and total comprehensive income/(expense)	**33,033**	(10,383)
Included in the above profit/(loss):		
Interest income	**40**	6
Interest expense	**(21,334)**	(11,181)
Income tax (expense)/credit	**(10,861)**	175

	2023	2022
	HK$'000	*HK$'000*
Total net assets of the joint venture	**423,176**	390,143
Proportion of ownership interest held by the Group	**75%**	75%
Goodwill	**51,018**	51,018
Total carrying amount of the investment in a joint venture in the consolidated financial statements	**368,400**	343,625

No contingent liabilities and other commitments relating to this joint venture were incurred as at 31 December 2022 and 2023.

13. TRADE RECEIVABLES

	2023	2022
	HK$'000	*HK$'000*
Trade receivables, gross amount	**2,003**	6,902
Less: Loss allowance for expected credit losses ("**ECLs**")	**(843)**	(6,125)
Trade receivables, net amount	**1,160**	777

Notes:

(a) The Group generally receives full payments as advanced deposits from the wholesales customers for the sales of technology products business and provides credit terms ranged from 30 to 120 days (2022: 30 to 120 days) from the invoice dates for the rest of wholesales customers, whereas provides 30 days (2022: 30 days) from the invoice dates for the eCommerce customers for the retail sales business and due immediately for the retail sales customers who purchase the merchandise in retail stores.

As at 31 December 2022 and 2023, the ageing analysis of trade receivables by invoice dates, before loss allowance for ECLs, is as follows:

	2023	2022
	HK$'000	*HK$'000*
Wholesales customers:		
0-30 days	**–**	–
31-60 days	**–**	–
61-90 days	**–**	–
91-120 days	**–**	–
More than 120 days	**–**	3,517
	–	3,517
Retail sales customers:		
0-30 days	**543**	374
31-60 days	**209**	71
61-90 days	**347**	98
91-120 days	**51**	164
More than 120 days	**853**	2,678
	2,003	3,385
Total	**2,003**	6,902

All of the trade receivables are expected to be recovered within one year which their fair values were not materially different from their carrying amounts as at 31 December 2022 and 2023.

(b) The movements in the loss allowance in respect of trade receivables during the year is as follows:

	2023	2022
	HK$'000	*HK$'000*
At 1 January	**6,125**	2,500
Impairment losses recognised for the year	**709**	3,625
Deconsolidation of a subsidiary	**(5,991)**	–
At 31 December	**843**	6,125

(c) The gross carrying amounts of the trade receivables as at 31 December 2022 and 2023 were denominated in the following currencies:

	2023	2022
	HK$'000	*HK$'000*
HK$	**1,945**	6,895
Macao Pataca	**58**	7
	2,003	6,902

14. TRADE PAYABLES

(a) As at 31 December 2022 and 2023, the ageing analysis of trade payables by dates of receipt of goods, is as follows:

	2023	2022
	HK$'000	*HK$'000*
0-30 days	**89**	512
31-60 days	**–**	951
61-90 days	**42**	360
91-120 days	**–**	43
More than 120 days	**4,680**	15,499
	4,811	17,365

In general, credit terms offered by local suppliers are ranged from 30 to 120 days (2022: 30 to 120 days) from the dates of receipt of goods whereas overseas suppliers request the Group to pay from 30% to 50% (2022: 30% to 50%) of the invoice amounts as deposits before delivery of products and to settle the remaining balance before or after the arrival of products depending on the terms and conditions of purchase contracts.

All of the trade payables are expected to be settled within one year or repayable on demand which their fair values were not materially different from their carrying amounts as at 31 December 2022 and 2023.

(b) The carrying amounts of the trade payables as at 31 December 2022 and 2023 were denominated in the following currencies:

	2023	2022
	HK$'000	*HK$'000*
HK$	**3,412**	16,105
Renminbi	**620**	409
Euro	**417**	607
Other currencies	**362**	244
	4,811	17,365

15. SHARE CAPITAL

	Number of shares	*HK$'000*
Authorised:		
Ordinary shares of HK$0.01 each		
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023	**10,000,000,000**	100,000
Issued and fully paid:		
Ordinary shares of HK$0.01 each		
At 1 January 2022, 31 December 2022 and 1 January 2023	3,512,566,000	35,126
Shares issued under capitalisation of shareholder's loan	**1,241,750,000**	**12,417**
At 31 December 2023	**4,754,316,000**	**47,543**

The holders of ordinary shares are entitled to receive dividends as declared from time-to-time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

On 6 November 2023, the issued share capital of the Company was increased by HK$12,417,000, at nominal value of HK$0.01 per share, in pursuant to the completion of the share allotment to offset the shareholder's loan of approximately HK$76,988,000.

16. EVENTS AFTER THE REPORTING PERIOD

On 12 January 2024, the Town Planning Board granted the approval of the property held by the Fund on the proposed comprehensive residential development with minor relaxation of maximum plot ratio and building height restrictions where the property is situated.

MANAGEMENT DISCUSSION AND ANALYSIS

ANNUAL RESULTS

For the twelve months ended 31 December 2023 (the "**Year**"), Bonjour Holdings Limited (the "**Company**") and its subsidiaries (collectively, "**Bonjour**" or the "**Group**") recorded revenue of HK$950.3 million (2022: HK$185.7 million), representing an increase of 412% from last year. Profit for the Year was HK$54.0 million (2022: HK$167.2 million), representing a decrease of 68% from last year. Earnings per share amounted to HK1.5 cents (2022: HK4.8 cents).

MARKET OVERVIEW

The full year retail sales in 2023 released by the Census and Statistics Department ("**Statistics**") was HK$407 billion (2022: HK$350 billion), increased by 16.2% in value and 13.8% in volume over 2022, given the relative low base in 2022. According to the Hong Kong Tourism Board, the total number of visitors to Hong Kong in 2023 amounted to 34 million (2022: 605,000), the rebound was mainly driven by resurgence in tourism after re-opening between Hong Kong and the Chinese border.

While consumer sentiment remains relatively steady, majority of consumers were more cautious about spending due to the global economic uncertainties, especially attributed to China's slow economic recovery and the underperformance of Hong Kong's equity and real estate markets. Hong Kong faced the challenges in attracting visitors, including appreciation of the Hong Kong dollar against the Renminbi, regional competition and changing spending patterns of incoming visitors. Hong Kong residents "tripping north" to Shenzhen and travelling overseas have also become a growing trend that impacted local retail sales.

Looking ahead to 2024, consumers feel some pressure and are cautiously about the economy recovery and plan their purchases more on essential items. However, the Group is still optimistic about the outlook for the retail industry as the Greater Bay Area continues to provide opportunities. Digital eCommerce is expected to continue to grow. This is the digital future for the Group to adopt and offer opportunities to local and international merchants by quickly pivoting and innovating new, convenience and tactile shopping experiences.

The Group will continue its core focus of retail transformation in the alignment with the strategic imperatives and the deployment of a network-based global omnichannel system, which include the coordination among customer channels, efficient operational processes, easy of payment methods and supply chain management, Through the customer-centric ordering portal, effective electronic payment and efficient supply chain management, HKMall eCommerce is able to meet the changing consumer needs on diverse brands and more personalized shopping experience.

BUSINESS REVIEW

The Group commenced its business transformation since early 2020 and has digitally transformed into a new business ecosystem leverging on "Technology + Consumption". On the product side, the Group expanded the product range from pure cosmetics products to 'Beauty, Health & Lifestyle products, enhancing consumers experience including extension to cover technology products. In terms of operations, the Group has leveraged on technology innovation to transform the traditional retail business to a new ecosystem, of which the Group and all stakeholders including consumers, merchants and suppliers will benefit. This is achieved by (1) establishing an O2O system integrating offline with online operations to enhance consumers' shopping experience (2) establishing a global eCommerce platform 'HKMALL' (香港貓) to serve Hong Kong merchants as well as overseas brands across 34 countries over 44 market platforms. (3) establishing an ecosystem to assist Hong Kong small and medium enterprises (SMEs) to digitally transform their traditional business into new business models.

- **New Retail O2O: HKMall (香港貓)**

  Consumer behaviour post-COVID has altered significantly, Consumers have turned to online shopping instead of going out to physical stores. International retail brands have also switched their focus to online sales. The Group was well aware of this trend and have made transformation plans. Since 2020 and continuing into 2023, the Group strategically optimised the number of retail stores and underperforming stores were closed for better cost control. As of 31 December 2023, the Group operated 6 physical retail stores in Hong Kong and Macau. The Group switched focus to online retail though expanding cross-border eCommerce platform "HKMall". The Group will continue to leverage on technology to enhance the shopping experience of consumers to improve sales.

  The Group applied various leading new retail technologies, including live streaming, intelligent shopping guide, smart push, image search, voice search, and data bank, to its eCommerce platform Bonjour HKMALL (香港貓) ("**HKMALL**"), which greatly enhanced the online shopping experience for customers.

  HKMALL is an omni-channel eCommerce platform that not only sells products and branded merchandises with exclusive distributorship rights, but also assists small and medium enterprises (SMEs) in expanding their sales network via HKMALL efficiently and effectively to markets in the Greater Bay Area and overseas countries. The Group sells authentic goods, and offers SMEs an easy way of payment settlement, logistics support and data services, providing a fast track to SMEs to digitally transform their businesses. HKMALL covered 34 countries including the UK, the US, Canada, Australia, France and Singapore, across 44 market platforms in mainland China and overseas, including Tmall Global, Kaola, JD.com, Facebook and WeChat Mall etc.

With the fast rise of the KOL economy, the Group has its own direct broadcasting studio with an area of over 10,000 sq. ft. for KOLs to conduct sales on social media. As a result, the Group is able to enhance the interaction of consumer experience and customer loyalty, while accumulating online subscriptions and "Likes" to boost its turnover. The group also collaborated with various association to launch open competitions to nurture external KOLs. The gross merchandise value (GMV) of completed orders on O2O platform (including beauty products and technology products) amounted to approximately HK$1.7 billion for the Year.

Currently, the Group offers over 300,000 SKUs, and distributes over 100 well-known brands, including, exclusive distribution of Suisse Reborn, Dr. Bauer, Yumei, WOWWOW, Dr. Schafter and I.Skin Focus. Apart from skincare, fragrance, cosmetics, haircare and body-care, the Group also sourced healthcare and life style products all over the world. A variety of quality products are offered at competitive prices. The Group continuously pays close attention to the market trends and consumer behavior, and research on latest hot items to satisfy the ever-changing customers' needs.

- **Industry Innovation: HKIIC**

Apart from its own development, the Group is also committed to providing SMEs with the best eCommerce services and all-rounded intelligent retail solutions, helping businesses to transform to digital and traditional industries to innovate. The Group not only supports businesses to streamline costs and improve efficiency, but also empowers customers to achieve operational excellence through the flexible use of the capabilities of the Bonjour Technology platform.

To enable traditional business to transform to new business models, the Group has established the "Hong Kong Industry Innovation Centre" (HKIIC), which aims to support the digital transformation of business by combining "industry + technology + capital". The HKIIC also serves as the Hong Kong site of the "Guangdong Hongkong and Macau Youth Entrepreneurship Incubator", offering one-stop services for office sharing, start-up incubation and acceleration, financing facilitation and ecosystem development. Both the Guangdong Hongkong and Macau Youth Entrepreneurship Incubator and the Hong Kong site were approved for inclusion into the Cyberport Accelerator Support Programme (CASP) as an accelerator recognised by Cyberport.

HKIIC has entered cooperation agreements with many strong strategic partners including China Resources, HK Federation of Education Workers, HK Science and Technology Youth Federation, Harbin Women Entrepreneurs Association, and in Panyu with Guangdong, Hongkong and Macau Youth Entrepreneurship Incubator to establish a "GBA Incubation Base for Beauty Industry" in collaboration with China International Beauty Expo (CIBE).

- **Beauty: Exploring "Comprehensive Health" Business**

During the Year, the Group expanded beauty services to cover health services led by experienced experts in the sector through the brand-new "Bonjour Health & Wellness Medical Centre" which will offer one-stop new experience of healthy lifestyle and beauty to customers. The Group actively explored the possibility of expanding into the "Comprehensive Health" business under the development approach of "Beauty, Health & Beautiful Life". Bonjour Health Limited ("**Bonjour Health**"), an associate of the Group, commenced strategic business discussion with leading health and aesthetic medical experts in Hong Kong to develop "Comprehensive Health" services. The Group expects to capture enormous opportunities in markets across the Greater Bay Area and even Asia with quality "Comprehensive Health" services.

- **Bonjour Technology**

  Based on the new concept of "Beauty, Health & Beautiful Life", the Group has been actively promoting "technology + consumption" since 2020 leading the new 5G digital economy. The Group has upgraded from a traditional beauty industry retailer to a global eCommerce company, and is committed to provide consumers with international general merchandise products and professional services, as well as to provide the best quality of eCommerce services for Hong Kong's small and medium-sized enterprises.

  Bonjour Technology, a subsidiary of the Company supported by the industrial digital innovation platform, has developed major businesses such as big data integration, industrial innovation incubation service, and science and technology investment, providing Hong Kong's incubation of science and technology with platform support through the accumulation of various innovative resources, which in turn help realise the industrialization of scientific and technological achievements, and the strategic policy of Hong Kong industry going global. Bonjour Technology has entered cooperation agreements with many leading technology players including Beosin Technology Limited on cyber governance, and in previous years with China Mobile Hong Kong and Huawei Cloud.

- **3C Product Business**

  Bloomberg 2023 smartphone survey reported that 79% Gen Z smartphone users prefer iphone over other competitive models. Market research showed that Apple captures over 50% of market share with a penetration rate of almost 97 % in Hong Kong and iphone sales is expected to grow at 7% per year with modest price increases.

  Since 2021, Bonjour Group made a strategic move to capture the growth potentials of 3C product through expanding our market reach in trading technology products. The 3C product business uses a cost-plus pricing strategy for B2B business model. The robust revenue growth in 2023 strives Bonjour Group's confidence on continuous exploration of new business model in the sustainable growth of selling new products, hence ensuring a stable profit for the Group. In 2024, economists have lowered their assessments of recession risk on technology markets segment. The Group remains very optimistic on the technology products to achieve modest growth.

  In the 3C product business, the Group acted as a "Principal" bearing transaction risks. As a reputable brand owner and value-added partner, the Group operates as a strategic and value-added party to the 3C product business. The Group's reputation not only ensures a wider customer base for consumer products but also provides assurance to relevant suppliers and customers when securing orders.

OUTLOOK

S&P Global Ratings expects that retail sales in China will experience a modest growth of 4.2% in 2024. In contrast, Hong Kong is projected to see a 5% year-on-year growth, primarily driven by sub-categories such as department stores, medicines and cosmetics, and luxury goods. Despite the potential impact of global economic challenges on consumer spending for non-essential goods, tourism remains a crucial driver for retail business growth in Hong Kong. The government is actively launching campaigns and initiatives to attract visitors to the city. To facilitate comfortable and confident shopping experiences for tourists, the Group has obtained relevant licenses and transformed over 15,000 sq ft of its premises—Bonjour Tower—into product display showrooms. The company has also collaborated with tour groups and agencies to provide tourists with a peace of mind while shopping.

ECommerce has transitioned from being a growth opportunity to an essential aspect, emphasizing the importance of building strong consumer engagement and delivering exceptional customer experiences. Bonjour Group will continue to prioritize investments in its eCommerce platform, HKMall, which goes beyond being a simple online shop. HKMall has established an omnichannel shopping ecosystem that integrates sales management and supply chain networks. This allows merchants to set up their own e-shops and upload product catalogs to sell merchandise online. HKMall offers SMEs a valuable opportunity to adopt a consumer-centric strategy and operate their own e-shops, providing consumers with one-stop services that combine innovative product offerings with digital innovation. It serves as a pathway for SMEs in Hong Kong to rapidly transform their traditional businesses into new digital models. By leveraging omnichannel data and analytics, merchants become partners of the Group and gain the ability to sell high-value merchandise to 34 countries across 44 global market platforms.

Digital transformation applies not only to front-line operations but also extends to internal transaction processing. By leveraging technology, internal processes and structures can be streamlined, resulting in increased efficiency. This helps control overall costs and generates higher value per employee. Additionally, embracing digital and paperless transactions contributes to the organization's environmental sustainability efforts by reducing the consumption of physical resources. The Group will continue to invest in and collaborate with technology partners to provide an enhanced shopping experience for customers on both physical and online platforms.

On the product front, the Group will continue its transformation from a traditional retailer of beauty products to a new business ecosystem that offers a full range of products in "Beauty, Health & Lifestyle," including technology products. This diversification of products aims to cater to evolving consumer needs and create a better life for all. The Group will also continue nurturing sole agency brands and private labels. This diversification strategy helps to mitigate risks and enhance profitability in the revenue portfolio.

With the support of the HKMall global eCommerce platform and a wide spectrum of products, the Group plans to expand its reach into the Greater Bay Area (GBA) and other parts of Asia, enabling the sale of quality products in the GBA and facilitating the export of Mainland merchandise to overseas markets through the HKMall platform.

In conclusion, Bonjour is well-positioned to seize timely opportunities for economic recovery and collaborate with strategic partners in global eCommerce development, leveraging the combination of "Technology + Consumption + Capital" to provide increased returns to its shareholders.

Given the improved profit prospects of the Group and the objective of returning value to shareholders, the board of directors has decided to implement a dividend policy that includes the distribution of bonus shares or cash dividends, subject to specific conditions. This approach aims to maximize the enhancement of shareholders' equity.

FINANCIAL REVIEW

Overview

The pandemic upended lives and livelihoods across the global, significantly reshaping consumer landscape and spending behaviors. Mckinsey latest insights reported that technology has conditioned consumers to get whatever they want and over 50% of consumers reporting a desire to spend mainly on traveling, entertainment and health-related products. Greatly influence by social media, eCommerce accelerates the online digital marketplace to connect with consumers through delivering personalized services and solutions.

The Group turnover achieved HK$950.3 million, representing 412% growth (2022: HK$185.7 million). Despite the shop sales declined by 20%, the sales of technology products increase by 7 times than 2022 and eCommerce business increases by 2%. The Group's cross border eCommerce platform HKMall is well placed to capture this 'New Normal'. Overall gross margin growth was 87%, however the profit margin was reported as 7%. Gross margin for wholesaling and retailing of beauty, health-care and lifestyle products was 41% (2022: 38%) and wholesaling of technology products was 2% (2022: 4%). The Group's earnings had achieved a surplus of HK$54.0 million (2022: HK$167.2 million), comprising a gain on deconsolidation of a subsidiary.

Bank and cash balance as at 31 December 2023 amounted to approximately HK$16.1 million (31 December 2022: approximately HK$17.9 million). Net current liabilities were decreased from approximately HK$169.7 million as at 31 December 2022 to approximately HK$53.0 million as at 31 December 2023. The current ratio of the Group was also increased from approximately 0.36 as of 31 December 2022 to approximately 0.64 as at 31 December 2023 as a result of assets held for sales being disposed. The Management of the Group has active plans to improve the financial results leveraging on digital transformation to achieve ultimate profitability as well as long term sustainable growth for the Group.

Liquidity and Financial Resources

As at 31 December 2023, the Group's cash and bank deposits amounted to approximately HK$16.1 million (31 December 2022: approximately HK$17.9 million). The Group's bank and other borrowings, and lease liabilities as at 31 December 2023 were HK$116.5 million (31 December 2022: approximately HK$138.3 million), out of which, approximately HK$43.2 million (31 December 2022: approximately HK$53.4 million) were repayable within next 12 months. As at 31 December 2023, among the current liabilities of approximately HK$147.4 million (31 December 2022: approximately HK$264.1 million), approximately HK$27.9 million was related to lease liabilities (31 December 2022: HK$31.3 million) and approximately HK$15.3 million was mainly related to bank and other borrowings (31 December 2022: approximately HK$22.1 million).

The Group's net debt ratio as at 31 December 2023 was greatly improved at approximately 0.4 (31 December 2022: approximately 0.9), and was calculated based on the Group's bank and other borrowings and lease liabilities divided by total equity of approximately HK$282.2 million (31 December 2022: approximately HK$155.4 million). Total liabilities to shareholders funds was approximately 0.8 (31 December 2022: approximately 2.3). The current ratio of the Group as at 31 December 2023 was approximately 0.64 (31 December 2022: approximately 0.36). The Group services its debt primarily through the cash earned from its operations.

Net cash outflow from operating activities for the Year was approximately HK$59.0 million (2022: outflow of approximately HK$51.7 million). The profit before tax was approximately HK$54.6 million (2022: approximately HK$252.5 million). The total amount of non-cash items amounting to approximately HK$105.9 million (mainly comprise of depreciation expense and gain on deconsolidation of a subsidiary) and there was a net increase in working capital of approximately HK$3.1 million.

Net cash inflow from investing activities for the Year was approximately HK$6.7 million (2022: Net inflow of approximately HK$447.3 million), which mainly represented and net proceeds from disposal of the financial assets at FVTOCI and amounts due from associates.

Net cash inflow from financing activities for the Year was approximately HK$50.4 million (2022: Net outflow of approximately HK$358.0 million), which mainly represented proceeds from other borrowings and shareholder loans.

Extract of Independent Auditor's Report

The following is an extract of independent auditor's report issued by the Group's independent auditor:

"**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 2023, 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 to the consolidated financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. 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."

Dilution Impact on Earnings Per Share

The effects of potential ordinary shares are anti-dilutive for the years ended 31 December 2023 and 2022.

Contingent Liabilities

As at 31 December 2023, the Group had no significant contingent liabilities (31 December 2022: Nil).

Litigation

As at 31 December 2023, the Group has been involved in numerous ongoing legal proceedings and claims. The management has made full provision for the accrued rentals and has been pursuing favorable settlement solutions with the plaintiffs.

Foreign Exchange and Bank Borrowing Interest Rate Exposures

The Group has limited exposure to foreign exchange fluctuations given that most of its assets, receipts and payments are principally denominated in Hong Kong dollars, Macau Pataca and Renminbi with a few denominated in Japanese Yen and Euro. The Group will continue to monitor its foreign exchange receipts and payments and the gearing levels on an on-going basis and, if necessary, will hedge the foreign exchange exposure by forward foreign exchange contracts. As at 31 December 2023 and 2022, the Group's bank borrowings were not dominated in foreign currency.

As at 31 December 2023, the Group had bank and other borrowings amounting to approximately HK$47.5 million (31 December 2022: approximately HK$41.8 million). The bank borrowings were arranged at both fixed interest rate and floating interest rate basis at short-term inter-bank offer rates.

Capital Structure

During the Year, the Company had allotted 1,241,750,000 shares.

The total number of issued and fully paid Shares as at 31 December 2023 was 4,754,315,999 Shares (2022: 3,512,565,999 shares).

Charges on Group Assets

As at 31 December 2023, none of the assets of the Group were pledged (31 December 2022: none of the assets were pledged to secure banking facilities granted to the Group).

Connected Transaction Loan Capitalisation involving Issue of New Shares under Specific Mandate

On 31 August 2023, the Company entered into the Subscription Agreement with Mr. Chen Jianwen as the executive Director and the controlling shareholder (the "**Subscriber**"), pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,241,750,000 Subscription Shares at the Subscription Price of HK$0.062 per Subscription Share to the Subscriber, which shall be satisfied by way of offsetting the outstanding principal amount and accrued interest under the Shareholder's Loan (payable by the Company to the Subscriber) on 31 August 2023 as the date of the Subscription Agreement which amounted to approximately HK$76,988,531 (the "**Loan Capitalisation**"). Upon Completion, the Shareholder's Loan shall be deemed to have been fully repaid, and any remaining balance of the Shareholder's Loan (including any interest accrued under the Shareholder's Loan from the date of the Subscription Agreement to the Completion Date) has been waived by the Subscriber.

The Subscription Shares represent approximately 35.35% of the existing number of issued Shares immediately before Completion and approximately 26.12% of the enlarged number of issued Shares of 4,754,315,999 Shares immediately following Completion.

As the Subscriber is the chairman of the Board, an executive Director and the controlling shareholder of the Company, and hence a connected person of the Company under Chapter 14A of the Listing Rules, the Subscription Agreement, the Loan Capitalisation, the allotment and issue of the Subscription Shares and the transactions contemplated thereunder constitute a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the Subscriber who is deemed to be interested in the Subscription Agreement, none of the Directors has any interest in the resolution(s) of the Board to consider and approve the Subscription Agreement, the Loan Capitalisation, the allotment and issue of the Subscription Shares and the transactions contemplated thereunder or is otherwise required to abstain from voting on the relevant resolution(s) of the Board.

The Extraordinary General Meeting has been convened and held on 3 November 2023 for the purpose of considering and, as thought fit, approving the Subscription Agreement, the Loan Capitalisation, the allotment and issue of the Subscription Shares and the transactions contemplated thereunder and the grant of the Specific Mandate for the allotment and issue of the Subscription Shares.

In accordance with Rule 14A.36 of the Listing Rules, the Subscriber has been required to abstain from voting on the resolution(s) to approve the Subscription Agreement, the Loan Capitalisation, the allotment and issue of the Subscription Shares and the transactions contemplated thereunder at the Extraordinary General Meeting. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, other than the Subscriber, no other Shareholder has a material interest in the transactions contemplated under the Subscription Agreement and has been required to abstain from voting on the resolution(s) to approve the Subscription Agreement, the Loan Capitalisation, the allotment and issue of the Subscription Shares and the transactions contemplated thereunder at the Extraordinary General Meeting held on 3 November 2023.

Completion of the Loan Capitalisation took place on 6 November 2023 and the Subscription Shares were allotted and issued to the Subscriber under the Specific Mandate obtained at the Extraordinary General Meeting held on 3 November 2023.

Details of the connected transactions have been published on the Company's announcement dated 31 August 2023, the Company's circular dated 17 October 2023 and the Company's poll results announcement dated 3 November 2023.

Material Acquisitions or Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed herein, for the year ended 31 December 2023, there were no material acquisitions and disposal of subsidiaries, associates or joint ventures by the Group.

The Disposals

During the period from 22 April 2022 to 14 February 2023, the Company, through its wholly-owned subsidiary, made a series of disposals (the "**Disposals**") of an aggregate of 135,156,000 ordinary shares issued by Town Health International Medical Group Limited ("**Town Health Shares**").

For further details of the Disposals, please refer to the announcement of the Company dated 14 February 2023.

The Further Disposals

On 23 February 2023 and 7 March 2023, the Company, through its wholly-owned subsidiary, made further disposals of an aggregate of 26,345,586 Town Health Shares (the "**Further Disposals**").

For further details of the Further Disposals, please refer to the announcements of the Company dated 23 February 2023 and 7 March 2023.

Save as disclosed herein, there was no material acquisition or disposal of subsidiaries, associates or joint ventures during the Period.

Future Plans for Material Investments and Capital Assets

The Board will consider plans for investments and capital assets which can improve the Company's profitability and liquidity.

HUMAN RESOURCES

The Group adheres to a strong belief that one of the most valuable assets of a corporation is its employees. As at 31 December 2023, the Group had approximately 158 (2022: approximately 194) full-time and part-time employees in Hong Kong, Macau and Mainland. Staff costs including Directors' emoluments for the Year were significantly streamlined at approximately HK$59.1 million (2022: approximately HK$68.1 million).

The Group values its human resources and recognizes the importance of attracting and retaining qualified staff for its continuing success. Remuneration packages are generally structured by reference to market terms and individual qualifications. In addition, share options and discretionary bonuses may also be granted to eligible employees based on individual's performance. The Group also provides mandatory provident fund schemes, medical insurance schemes, staff purchases discounts and training programs for our employees.

EVENTS AFTER THE REPORTING PERIOD

On 12 January 2024, the Town Planning Board granted the approval of the property held by the Fund on the proposed comprehensive residential development with minor relaxation of maximum plot ratio and building height restrictions where the property is situated.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Save as disclosed herein, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the Year.

FINAL DIVIDEND

The Board does not recommend the payment of any final dividend for the Year.

Winding up of Hop Fung Lung Limited ("HFL") (formerly known as Bonjour Cosmetic Wholesale Center Limited)

On 9 January 2023, a winding-up order was made by the High Court against HFL, a subsidiary of the Company, at the hearing of the Petition pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Official Receiver of Hong Kong has been appointed as the provisional liquidator of HFL. For further details of the winding-up, please refer to the announcements of the Company dated 9 January 2023 and 17 January 2023.

PLACING OF BONDS

On 2 August 2021 (after trading hours), the Company entered into a placing agreement (the "**Placing Agreement**") with Venture Smart Asia Limited, the placing agent (the "**Placing Agent**"), pursuant to which the Placing Agent conditionally agreed to act as placing agent, on a best effort basis, for the purposes of procuring placees to subscribe in cash for the two-year 9% bonds with an aggregate principal amount of up to HK$50,000,000 during the period commencing from the date of the Placing Agreement and terminating on the date falling on the expiration of six (6) months from the date of the Placing Agreement. Please refer to the announcement of the Company dated 2 August 2021 for details. The Placing Agreement was extended to 31 July 2024.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code for the Year.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to the establishment of good corporate governance practices and procedures. Throughout the Year, the Company has applied the principles of good corporate governance and complied with all the applicable code provisions prescribed in Part 2 of the Corporate Governance Code (the "**CG Code**") set out in the Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**").

REVIEW OF ANNUAL RESULTS

The Group's audited consolidated annual results for the Year have been reviewed by the Audit Committee of the Company. The figures in this preliminary announcement of the results have been agreed to the amounts set out in the Group's consolidated financial statements by the auditor of the Company, Grant Thornton Hong Kong Limited. The work of Grant Thornton Hong Kong Limited in this respect, did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants.

AUDIT COMMITTEE

The Company established the Audit Committee on 17 June 2003 with written terms of reference no less exacting terms than the CG Code. At present, members of the Audit Committee comprise three independent non-executive Directors, namely Mr. Kwok Chi Shing, Mr. Lee Kwun Kwan and Mr. Yan Sherman Chuek-ning. Mr. Kwok Chi Shing is the chairman of the Audit Committee. The Audit Committee has reviewed the effectiveness of both external audit and risk management and internal control systems. The audited consolidated financial statements of the Group for the Year have been reviewed by the Audit Committee.

The Audit Committee acts as an important link between the Board and the Company's auditor in matters within the scope of the Group's audit. The duties of the Audit Committee are to review and discuss on the effectiveness of external audit, risk management and internal control systems of the Group, the Company's annual report and accounts, interim report and to provide advice and comments to the Board. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Year. The Audit Committee meets regularly with the management and the external auditor to discuss the risk management and internal control systems, financial reporting system, the accounting principles and practices adopted by the Group. During the Year, four meetings were held to review, among others, the audited consolidated financial statements of the Group for the year ended 31 December 2023 and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2023 with the recommendations to the Board for approval; and has reviewed the accounting principles and policies adopted by the Group and its systems of risk management and internal control. The attendance records for the Audit Committee meetings are set out below:

Members of the Audit Committee	**Members' Attendance**
Mr. Kwok Chi Shing	4/4
Mr. Lee Kwun Kwan	4/4
Mr. Yan Sherman Chuek-ning	4/4

Extract of Independent Auditor's Report

The following is an extract of independent auditor's report issued by the Group's independent auditor:

"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 2023, 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 to the consolidated financial statements, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. 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."

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual results announcement is published on the Company's website (http://corp.bonjourhk.com) and the website of the Stock Exchange (www.hkexnews.hk). The annual report of the Company for the Year will be dispatched to the Company's shareholders and made available at the Company's website and Stock Exchange's website in due course.

By order of the Board
Bonjour Holdings Limited
Chen Jianwen
Chairman and Executive Director

Hong Kong, 28 March 2024

As at the date of this announcement, the Board comprises Mr. Chen Jianwen, Mr. Wan Yim Keung, Daniel and Ms. Chiu Lai Kuen, Susanna as executive Directors; Mr. Kwok Chi Shing, Mr. Lee Kwun Kwan and Mr. Yan Sherman Chuek-ning as independent non-executive Directors.