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

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

**(Stock Code: 653)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The Board of Directors (the “**Board**” or the “**Directors**”) of Bonjour Holdings Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, “**Bonjour**” or the “**Group**”) for the six months ended 30 June 2024 (the “**Period**” or the “**Review Period**”) (the “**Interim Results**”), together with the comparative figures for the corresponding period in 2023. The Interim Results have not been audited by the Independent Auditor of the Company, but have been reviewed by the Audit Committee of the Company (the “**Audit Committee**”).

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Turnover</b>	2	55,697	71,206
Cost of goods sold		<u>(41,306)</u>	<u>(47,926)</u>
<b>Gross profit</b>		14,391	23,280
Other income	4	3,918	5,674
Gain on deconsolidation of a subsidiary		–	102,996
Distribution costs		(3,238)	(6,201)
Administrative expenses		(44,886)	(66,694)
Other operating expenses		–	(252)
Share of result of a joint venture		<u>37,315</u>	<u>(3,558)</u>
<b>Profit from operations</b>		7,500	55,245
Finance costs	5	<u>(7,373)</u>	<u>(6,019)</u>
<b>Profit before tax</b>		127	49,226
Income tax expense	6	<u>–</u>	<u>(568)</u>
<b>Profit for the Period</b>	7	<u><u>127</u></u>	<u><u>48,658</u></u>
<b>Earnings per share:</b>			
Basic and diluted	8	<u><u>HK– cents</u></u>	<u><u>HK1.4 cents</u></u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER  
COMPREHENSIVE INCOME**

*For the six months ended 30 June 2024*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2024</b>	<b>2023</b>
		<b><i>HK\$'000</i></b> <b>(Unaudited)</b>	<b><i>HK\$'000</i></b> <b>(Unaudited)</b>
<b>Profit for the Period</b>	<b>7</b>	<b><u>127</u></b>	<b><u>48,658</u></b>
<b>Other comprehensive income/(expense) for the Period, net of tax</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement gains on long service payment liabilities		<b>27</b>	–
Fair value changes of financial assets at fair value through other comprehensive income (“FVTOCI”)		<b><u>–</u></b>	<b><u>(4,794)</u></b>
<b>Other comprehensive income/(expense) for the Period</b>		<b><u>27</u></b>	<b><u>(4,794)</u></b>
<b>Total comprehensive income for the Period</b>		<b><u>154</u></b>	<b><u>43,864</u></b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		At 30 June 2024 <i>HK\$'000</i> (Unaudited)	At 31 December 2023 <i>HK\$'000</i> (Audited)
	Notes		
<b>Non-current assets</b>			
Property, plant and equipment	9	2,063	820
Right-of-use assets	10	29,278	37,562
Intangible assets		–	–
Rental and utility deposits		4,656	1,991
Financial assets at FVTOCI		409	409
Investments in associates		551	551
Investment in a joint venture	12	405,715	368,400
		<u>442,672</u>	<u>409,733</u>
<b>Current assets</b>			
Inventories		6,120	9,657
Trade receivables	13	6,150	1,160
Rental and utility deposits		1,121	6,826
Prepayments, deposits and other receivables		59,870	60,623
Bank and cash balances		6,073	16,109
		<u>79,334</u>	<u>94,375</u>
<b>Current liabilities</b>			
Trade payables	14	5,408	4,811
Other payables, deposits received and accrued charges		61,914	58,817
Contract liabilities		5,078	8,355
Amount due to the controlling shareholder		62,551	32,142
Bank and other borrowings	15	9,604	15,334
Lease liabilities		27,191	27,910
		<u>171,746</u>	<u>147,369</u>
<b>Net current liabilities</b>		<u>(92,412)</u>	<u>(52,994)</u>
<b>Total assets less current liabilities</b>		<u>350,260</u>	<u>356,739</u>

		<b>At 30 June 2024 HK\$'000 (Unaudited)</b>	<b>At 31 December 2023 HK\$'000 (Audited)</b>
	<i>Notes</i>		
<b>Non-current liabilities</b>			
Other borrowings	15	38,523	32,179
Lease liabilities		28,193	41,085
Long service payment liabilities		1,154	1,239
		<u>67,870</u>	<u>74,503</u>
<b>Net assets</b>		<b><u>282,390</u></b>	<b><u>282,236</u></b>
<b>Capital and reserves</b>			
Share capital	16	47,543	47,543
Reserves		<u>234,847</u>	<u>234,693</u>
<b>Total equity</b>		<b><u>282,390</u></b>	<b><u>282,236</u></b>

*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 and its subsidiaries (collectively, the “**Group**”) are principally engaged in wholesaling and retailing of beauty, healthcare and lifestyle products in Hong Kong and Macau and e-commerce business.

As at 30 June 2024, 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 condensed consolidated financial statements for the six months ended 30 June 2024 (the “**Period**”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

These condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2023. The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those adopted in the annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of the following amended Hong Kong Financial Reporting Standards (“**HKFRSs**”) which is a collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“**HKAS**”) and Interpretations issued by the HKICPA for the first time relevant to the Group’s operations and effective for the annual periods beginning on 1 January 2024.

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

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

The Group has not adopted any new and amended HKFRSs that have been issued but are not yet effective for the annual periods beginning on or after 1 January 2024. These new and amended HKFRSs include the following which may be relevant to the Group.

		<b>Effective for the annual periods beginning on or after</b>
Amendments to HKAS 21 and HKFRS 1	Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not yet determined

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

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

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

The preparation of these condensed 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. Actual results may differ from these estimates. These judgements, estimates and assumptions in applying the Group’s accounting policies and key sources of estimation uncertainty remained the same as those applied in the annual consolidated financial statements for the year ended 31 December 2023.

### ***Going concern assessment***

During the Period, the Group incurred net cash outflow from operating activities of HK\$20,083,000 and, as of that date, the Group had net current liabilities of HK\$92,412,000. 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 30 June 2024, the Group’s bank and cash balances amounted to HK\$6,073,000. 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 30 June 2024;
- (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.

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 condensed consolidated financial statements have been prepared on a going concern basis.

## **2. TURNOVER**

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Revenue from contracts with customers within the scope of HKFRS 15:</b>		
Sales of beauty, healthcare and lifestyle products	<b>26,230</b>	34,797
Sales of technology products	<b>29,467</b>	36,409
	<b>55,697</b>	71,206
<b>Timing of revenue recognition:</b>		
At a point in time	<b>55,697</b>	71,206

### 3. 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 <i>HK\$'000</i>	Wholesaling of technology products <i>HK\$'000</i>	Unallocated corporate assets and liabilities <i>HK\$'000</i>	Total <i>HK\$'000</i>
For the six months ended 30 June 2024 (unaudited):				
Reportable segment turnover	26,230	29,467	–	55,697
Reportable segment cost of goods sold	(12,126)	(29,180)	–	(41,306)
Reportable segment gross profit	<u>14,104</u>	<u>287</u>	<u>–</u>	<u>14,391</u>
As at 30 June 2024 (unaudited):				
Reportable segment assets	62,648	22,515	436,843	522,006
Reportable segment liabilities	(186,212)	–	(53,404)	(239,616)
For the six months ended 30 June 2023 (unaudited):				
Reportable segment turnover	34,797	36,409	–	71,206
Reportable segment cost of goods sold	(12,252)	(35,674)	–	(47,926)
Reportable segment gross profit	<u>22,545</u>	<u>735</u>	<u>–</u>	<u>23,280</u>
As at 31 December 2023 (audited):				
Reportable segment assets	75,043	26,269	402,796	504,108
Reportable segment liabilities	(156,969)	–	(64,903)	(221,872)



(b) **Disaggregation of revenue from contracts with customers**

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

	Wholesaling and retailing of beauty, healthcare and lifestyle products <i>HK\$'000</i>	Wholesaling of technology products <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>For the six months ended 30 June 2024 (unaudited):</b>			
At a point in time	<b>26,230</b>	<b>29,467</b>	<b>55,697</b>
<b>For the six months ended 30 June 2023 (unaudited):</b>			
At a point in time	<b>34,797</b>	<b>36,409</b>	<b>71,206</b>

(c) **Geographical information**

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

	Turnover		Non-current assets	
	Six months ended 30 June		As at	As at
	2024	2023	30 June	31 December
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Hong Kong	<b>52,901</b>	61,559	<b>29,354</b>	38,187
Macau	<b>2,796</b>	9,647	<b>1,987</b>	195
	<b>55,697</b>	71,206	<b>31,341</b>	38,382

(d) **Revenue from major customers**

	Six months ended 30 June	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Wholesaling of technology products:		
Customer A	–	25,940
Customer B	<b>14,357</b>	–
Customer C	<b>7,959</b>	–
Customer D	<b>7,151</b>	–

#### 4. OTHER INCOME

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest income on bank deposits	5	15
Imputed interest on bank and other borrowings	1,945	–
Imputed interest income on rental deposits	305	406
Rental income	45	156
Government subsidies	61	4,490
Exchange gain	397	154
Sundry income	1,160	453
	<u>3,918</u>	<u>5,674</u>

#### 5. FINANCE COSTS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Interest expense on lease liabilities	2,559	3,624
Interest expense on bank and other borrowings	2,895	1,723
Interest expense on amount due to the controlling shareholder	1,899	672
Interest expense on long service payment liabilities	20	–
	<u>7,373</u>	<u>6,019</u>

#### 6. INCOME TAX EXPENSE

Income tax expense recognised in profit or loss during the Period is as follows:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Current tax - Hong Kong Profits Tax:</b>		
Provision for the Period	<u>–</u>	<u>568</u>

Hong Kong Profits Tax is provided at 16.5% (2023: 16.5%) of the estimated assessable profits for the Period, 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 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 2023.

PRC Enterprise Income Tax is provided at 25% (2023: 25%) of the estimated assessable profits for the Period. Macau SAR Complementary Tax is provided at 12% (2023: 12%) of the estimated assessable profits for the Period.

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.

## 7. PROFIT FOR THE PERIOD

Profit for the Period is arrived after charging the following items:

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Cost of goods sold (note)	41,306	47,926
Depreciation of property, plant and equipment	251	124
Depreciation of right-of-use assets	11,588	17,996

Note: Cost of goods sold includes the reversal of allowance for slow-moving inventories of HK\$524,000 (2023: HK\$4,683,000) recognised in profit or loss during the Period.

## 8. EARNINGS PER SHARE

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

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Earnings:</b>		
Profit for the Period attributable to owners of the Company	127	48,658
	2024	2023
	(Unaudited)	(Unaudited)
<b>Number of shares:</b>		
Weighted average number of ordinary shares at 1 January and 30 June	4,754,315,999	3,512,565,999

The effect of potential ordinary shares was anti-dilutive for the Period (2023: anti-dilutive). 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 periods.

## 9. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment of approximately HK\$1,494,000 (2023: HK\$17,000).

## 10. RIGHT-OF-USE ASSETS

During the Period, the Group acquired right-of-use assets of approximately HK\$3,304,000 (2023: HK\$8,283,000).

## 11. DIVIDENDS

The Directors do not recommend the payment of interim dividend attributable to owners of the Company for the Period (2023: Nil).

## 12. INVESTMENT IN A JOINT VENTURE

	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
<b>Unlisted equity investment:</b>		
At 1 January	368,400	343,625
Share of result of a joint venture	37,315	24,775
	<u>405,715</u>	<u>368,400</u>
At 30 June 2024 and 31 December 2023	<u>405,715</u>	<u>368,400</u>

Details of the Group's joint venture as at 31 December 2023 and 30 June 2024 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% (2023: 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 2023 and 30 June 2024, the Group had an outstanding capital commitment of HK\$61,088,000 to the Fund.

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

## 13. TRADE RECEIVABLES

The Group generally receives full payments as advanced deposits from the wholesale customers for the sales of technology products business and provides credit terms ranged from 30 to 120 days (2023: 30 to 120 days) from the invoice dates for the rest of wholesales customers, whereas provides 30 days (2023: 30 days) from the invoice dates from the e-commerce customers for the retail sales business and due immediately from the retail customers who purchase the merchandise in retail stores.

As at 31 December 2023 and 30 June 2024, the ageing analysis of trade receivables by invoice dates, before loss allowance for expected credit losses ("ECLs"), is as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
0—30 days	6,437	543
31—60 days	434	209
61—90 days	5	347
91—120 days	6	51
More than 120 days	28	853
	<u>6,910</u>	<u>2,003</u>
Trade receivables, gross amount	6,910	2,003
Less: Loss allowance for ECLs	(760)	(843)
	<u>6,150</u>	<u>1,160</u>
Trade receivables, net amount	<u>6,150</u>	<u>1,160</u>

#### 14. TRADE PAYABLES

In general, credit terms offered by local suppliers are ranged from 30 to 120 days (2023: 30 to 120 days) from the dates of receipt of goods whereas overseas suppliers request the Group to pay from 30% to 50% (2023: 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.

As at 31 December 2023 and 30 June 2024, the ageing analysis of trade payables by dates of receipt of goods, is as follows:

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
0—30 days	535	89
31—60 days	24	—
61—90 days	120	42
91—120 days	9	—
More than 120 days	4,720	4,680
	<u>5,408</u>	<u>4,811</u>

#### 15. BANK AND OTHER BORROWINGS

	At 30 June 2024 HK\$'000 (Unaudited)	At 31 December 2023 HK\$'000 (Audited)
<b>Unsecured:</b>		
Bank borrowings	3,511	3,792
Other borrowings	44,616	43,721
	<u>48,127</u>	<u>47,513</u>

#### 16. SHARE CAPITAL

	Number of shares	HK\$'000
<b>Authorised:</b>		
Ordinary shares of HK\$0.01 each		
At 1 January 2023 (audited), 31 December 2023 (audited), 1 January 2024 (audited) and 30 June 2024 (unaudited)	10,000,000,000	100,000
<b>Issued and fully paid:</b>		
Ordinary shares of HK\$0.01 each		
At 1 January 2023 (audited)	3,512,566,000	35,126
Shares issued under capitalisation of shareholder's loan	1,241,750,000	12,417
	<u>4,754,316,000</u>	<u>47,543</u>
At 31 December 2023 (audited) and 30 June 2024 (unaudited)	<u>4,754,316,000</u>	<u>47,543</u>

#### 17. CONTINGENT LIABILITIES

As at 31 December 2023 and 30 June 2024, the Group did not have any material contingent liabilities.

**18. RELATED PARTY TRANSACTIONS**

- a) In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated financial statements, the Group had no other material transactions with its related parties during both current and prior periods.
- b) The remuneration for the Directors and other members of key management during the Period was as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
Directors' fees	<b>302</b>	302
Salaries	<b>3,000</b>	3,000
Retirement plans contributions	<b>18</b>	27
	<b>3,320</b>	3,329

## MANAGEMENT DISCUSSION AND ANALYSIS

### Interim Results

For the six months ended 30 June 2024 (the “**Period**” or “**Review Period**”), Bonjour Holdings Limited (the “**Company**”) and its subsidiaries (collectively, “**Bonjour**” or the “**Group**”) recorded revenue of approximately HK\$55.7 million (2023: approximately HK\$71.2 million), representing a decrease of approximately 21.8% from the corresponding period in 2023. This resulted in a profit for the Period of approximately HK\$0.1 million (2023: approximately HK\$48.7 million). The Board has resolved not to declare any interim dividend for the Period (2023: Nil).

### Market overview

Despite the resilience of the global economy, economic growth in 2024 remains stagnant. Ongoing challenges, such as elevated interest rates and high geopolitical tensions, persist. In Hong Kong, the retail sector is facing significant difficulties, particularly as more residents choose to shop in the mainland. According to Hong Kong government statistics on Retail Sales released in August 2024, total retail sales in Hong Kong were estimated to have decreased by 6.6% in the first half of 2024 compared to the same period in 2023. In June 2024, online sales in HK represented 7.8% of the total retail sales value and are expected to outperform physical stores. Recent estimates indicate that the cosmetics market is projected to grow at a CAGR of 2.2% from 2024 to 2028.

Despite ongoing challenges in the Chinese economy and increasing competition among consumer companies, the beauty and skincare sectors in Hong Kong are showing resilience, with stable growth projected at approximately 4% in 2024.

Hong Kong ranks 12th in the World Bank’s global logistics capabilities and quality index, which supports the ongoing expansion of online shopping, along with high internet penetration. The core of retail transformation lies in aligning and coordinating customer channels, operational processes, payment methods, and supply chain management. Effective electronic payment systems and efficient logistics enable eCommerce to adapt to changing consumer needs, enhancing the shopping experience by allowing customers to shop conveniently from home using mobile phones, computers, or other devices. PwC estimates that year-on-year growth for health and beauty products could reach 13% in 2024.

### Business Review

The Group began its business transformation in early 2020. On the product side, the range has expanded from pure cosmetics to include “Beauty, Health & Lifestyle” products, enhancing the consumer experience by incorporating technology and 3C items.

Operationally, the Group has harnessed technological innovation to shift from traditional retail to a new business ecosystem that benefits all stakeholders, including consumers, merchants, and suppliers. This transformation is realized through:

1. *O2O Integration*: Establishing an online-to-offline (O2O) system that enhances the shopping experience by seamlessly integrating offline and online operations.

2. *Global eCommerce Platform*: Launching ‘HKMALL’ (香港貓), a global eCommerce platform that supports Hong Kong merchants and overseas brands across 34 countries and 41 market platforms.
3. *Support for SMEs*: Creating an ecosystem to assist Hong Kong small and medium enterprises (SMEs) in digitally transforming their traditional business models.

### **Smart Omnichannel Strategies**

Bonjour’s strategy emphasizes omnichannel excellence, creating value for our customers. Since 2020, significant investments have been made to align with omnichannel strategies, enhancing multichannel initiatives and building selling capabilities for cross-border sales. As of June 30, 2024, HKMALL has expanded its reach to 34 countries, including the UK, US, Canada, Australia, France, and Singapore, across 41 market platforms both in mainland China and internationally, such as Tmall Global, Kaola, Facebook, and WeChat Mall.

HKMALL serves as a comprehensive omnichannel eCommerce platform, selling products and branded merchandise with exclusive distributorship rights. It also supports small and medium enterprises (SMEs) in efficiently expanding their sales networks into the Greater Bay Area and overseas markets. The Group ensures the sale of authentic goods while providing SMEs with streamlined payment settlements, logistics support, and data services, facilitating their digital transformation.

Success in an omnichannel landscape relies on digital sales that deliver speed, transparency, and expertise. The newly developed HKMALL 2.0 platform offers customers quick access to a variety of merchants and provides a personalized shopping experience tailored to individual preferences.

Recognizing the growing influence of social media and Key Opinion Leaders (KOLs) on consumer purchasing decisions, the Group has established a dedicated product outlet spanning over 10,000 square feet. This space allows KOLs to source large variety of products, conduct live showcases on social media, promoting products and engaging with audiences in real-time. As of June 2024, frequent livestreams across multiple channels have resulted in over 10% growth compared to the previous year. By blending beauty, health, and lifestyle products with innovative online purchasing strategies, such as live commerce and special promotion, the Group is broadening its value proposition for consumers. During the period, the Group partnered with Hunan TV to sell Suisse Reborn skincare products on their TV Shopping Channel ‘Happigo’ (快樂購). This collaboration was part of a pilot initiative aimed at successfully marketing products to Mainland customers through a digital TV platform.

Bonjour also collaborates with various organizations, including the Junior Chamber of Commerce, to launch competitions that nurture aspiring KOLs in live commerce and online marketing. Despite a slow sales recovery in the first half of 2024, our analysis indicates that live commerce will continue to build momentum, aiding market transformation for brands, retailers, and marketplaces. The gross merchandise value (GMV) of completed orders on the O2O platform, encompassing beauty and technology products, totaled approximately HK\$93.3 million for the period (compared to HK\$79.1 million in 2023).



## **Brand Management**

At the forefront of the beauty and wellness industry, the Group proudly offers an extensive portfolio of over 100,000 SKUs and distributes more than 100 renowned brands. Notable among these are exclusive distribution agreements with prestigious names like Suisse Reborn, Dr. Bauer, Yumei, WOWWOW, Dr. Schafter, and I.Skin Focus. Our diverse product range includes luxurious fragrances, innovative cosmetics, revitalizing haircare, and indulgent body care products. The Group also curates a carefully selected assortment of healthcare and lifestyle items sourced globally, ensuring customers have access to the very best.

In commitment to excellence, the Group has launched a dynamic array of high-quality products at competitive prices, making luxury and efficacy accessible to everyone. The Group's dedicated team continually monitors market trends and consumer behavior, leveraging in-depth research to identify the latest popular items. This proactive approach allows the Group to stay ahead of the curve and meet the evolving needs of the customers.

By prioritizing quality, innovation, and customer satisfaction, the Group seeks to enhance customers' lives through exceptional products tailored to their unique preferences and lifestyles, addressing their ever-changing needs.

## **Strategic Cooperation and Industry Innovation**

In addition to its own development, the Group is dedicated to providing SMEs with top-notch eCommerce services and comprehensive intelligent retail solutions, facilitating the transformation of traditional industries into innovative digital enterprises. The Group not only helps businesses streamline costs and enhance efficiency but also empowers customers to achieve operational excellence through the flexible capabilities of our eCommerce and technology platform.

To support the transition of traditional businesses to new models, the Group operates the “Hong Kong Industry Innovation Centre” (HKIIC). This initiative combines “industry + technology + capital” to drive digital transformation. The HKIIC also serves as the Hong Kong site for the “Guangdong Hong Kong and Macau Youth Entrepreneurship Incubator,” offering one-stop services that include office sharing, start-up incubation and acceleration, financing facilitation, and ecosystem development. Both the incubator and the Hong Kong site have been approved for inclusion in the Cyberport Accelerator Support Program (CASP), recognized as an official accelerator by Cyberport.

Furthermore, the collaboration with Guangzhou and Hainan bonded warehouses (保稅倉) enhances the Group's capabilities in wholesale, logistics and distribution, enabling faster and more efficient delivery of products. This partnership not only streamlines supply chain operations but also opens up new markets, allowing SMEs to reach a broader audience and benefit from enhanced cross-border eCommerce opportunities. The Group will continue to expand its cross-border wholesale business, significantly facilitating overseas suppliers looking to scale their products sales in the mainland market.

## Outlook

Digital transformation is reshaping all industries. Since initiating its business transformation in early 2020, the Group has continually revamped its business model to drive sustainable growth and deliver high net worth to shareholders. The main focus has been on “Technology + Consumption,” leveraging technology to accelerate consumption. This approach will continue to expand, creating an innovative business ecosystem not only for the Group but also as a platform for other enterprises seeking to digitally transform their operations.

The Group’s retail business is innovated through HKMALL. More than just an online shop for Bonjour, HKMALL is a forward-thinking eCommerce platform that enables merchants to seamlessly set up their own e-shops and sell merchandise online. It provides a pathway for SMEs in Hong Kong to quickly transform their traditional businesses into new digital models.

Through this omni-channel retail ecosystem, HKMALL actively builds a network of suppliers, engaging them on product offerings, consumer access, buying preferences, and purchase insights, while developing suppliers into online wholesalers and retailers. On the product side, the Group will diversify its offerings to meet changing consumer needs and create a “better life” for all, while establishing exclusive distributorships for improved risk management and profitability.

Digital transformation impacts not only front-line operations but also internal transaction processing. By leveraging technology, the Group has streamlined internal processes and structures, resulting in greater efficiency. This has helped control overall costs and generated higher value per employee. Additionally, the organization is becoming more sustainable by saving physical resources through digital and paperless transactions.

During this period, the Company co-invested with partners from Mainland in a bonded warehouse facility locating in Guangzhou to develop a cross-border B2B eCommerce business. Vending machines were installed at underground train stations to facilitate distribution of products sold through eCommerce. This creates a seamless one-stop platform for SMEs to sell their products throughout the Greater Bay Area. Additionally the Company actively collaborates with a wide network of KOLs providing them products on a consignment basis. This arrangement allows KOLs to operate effectively without the financial burden of stocking inventory.

Overall, while the recovery of the Group’s retail business has been slow in the first half of 2024, the expansion of new business models in the Greater Bay Area and other parts of China in the second half of the year gives the Group confidence that the business will thrive again. The Group is well-prepared in terms of new retail technology and an expanded business scope, aiming to make a timely comeback, providing better returns to its shareholders.

## **Financial Review**

### ***Overview***

Three years of Covid-19 border closures has changed people's spending habits, as they now prefer to shop online rather than travel abroad to buy foreign-made products. The Group's cross border eCommerce platform HKMall is well placed to capture this 'New Normal'. However, the pace of recovery in 2024 was slow and gradual. As a result, the overall turnover was decreased by approximately 21.8% and the overall gross margins for the Period remained as 25.8% (2023: 32.7%). Gross margin for wholesaling and retailing of beauty, healthcare and lifestyle products was 53.8% (2023: 64.8%) and wholesaling of technology products was 1% (2023: 2%). This resulted the Group had achieved a profit of approximately HK\$0.1 million (2023: approximately HK\$48.7 million).

Bank and cash balances as at 30 June 2024 were approximately HK\$6.1 million (31 December 2023: approximately HK\$16.1 million). Net current liabilities were increased from approximately HK\$53.0 million as at 31 December 2023 to approximately HK\$92.4 million as at 30 June 2024. The current ratio was decreased from approximately 0.64 as of 31 December 2023 to approximately 0.46 as at 30 June 2024 as a result of increase in the amount due to the controlling shareholder. The Management 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 30 June 2024, the Group's bank and cash balances of approximately HK\$6.1 million (31 December 2023: approximately HK\$16.1 million). The Group's bank and other borrowings and lease liabilities as at 30 June 2024 were approximately HK\$103.5 million (31 December 2023: approximately HK\$116.5 million), out of which, approximately HK\$36.8 million (31 December 2023: approximately HK\$43.2 million) were repayable within next 12 months. As at 30 June 2024, the net current liabilities were approximately HK\$92.4 million (31 December 2023: approximately HK\$53.0 million).

The Group's net debt ratio as at 30 June 2024 was approximately 0.4 (31 December 2023: approximately 0.4), and was calculated based on the Group's bank and other borrowings and lease liabilities divided by total equity of approximately HK\$282.4 million (31 December 2023: approximately HK\$282.2 million). The current ratio as at 30 June 2024 was approximately 0.46 (31 December 2023: approximately 0.64).

### ***Cash Flow***

Net cash outflow from operating activities for the Period was approximately HK\$20.1 million (2023: approximately HK\$35.1 million). The profit before tax was approximately HK\$0.1 million (2023: approximately HK\$49.2 million). The total amount of non-cash items of approximately HK\$21.0 million (mainly comprise of depreciation expenses and share of result of a joint venture) (2023: approximately HK\$81.1 million (mainly comprise of depreciation expenses and gain on deconsolidation of a subsidiary) and net decrease in working capital of approximately HK\$5.4 million (2023: increase of approximately HK\$2.8 million).

Net cash outflow from investing activities for the Period was approximately HK\$4.5 million (2023: net cash inflow of approximately HK\$20.0 million), which mainly represented the purchase of property, plant and equipment and advances to associates (2023: net proceeds from disposal of financial assets at FVTOCI).

Net cash inflow from financing activities for the Period was approximately HK\$14.6 million (2023: approximately HK\$15.6 million), which mainly represented the proceeds from other borrowings and the shareholder's loans and principal element of lease payments.

### ***Foreign Exchange and Interest Rate Exposure***

The Group has limited exposure to foreign exchange fluctuations given that most of its assets, liabilities, receipts and payments are principally denominated in Hong Kong dollars, United States dollars, Macao 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 ratio on an on-going basis and, if necessary, will hedge the foreign exchange exposure by the forward contracts. As at 31 December 2023 and 30 June 2024, no bank and other borrowings were denominated in any foreign currencies.

As at 30 June 2024, the Group had bank and other borrowings of approximately HK\$48.1 million (31 December 2023: approximately HK\$47.5 million). The bank and other borrowings were arranged at both fixed interest rate and floating interest rate basis at the short-term inter-bank offer rates.

### ***Capital Structure***

During the Period, the Company did not issue or allot any new shares. The total number of issued shares of the Company was 4,754,315,999 as at 31 December 2023 and 30 June 2024.

### ***Charge on the Group's Assets***

As at 31 December 2023 and 30 June 2024, none of the Group's assets was pledged to secure the banking facility granted to the Group.

### ***Material Acquisition or Disposal of Subsidiaries, Associates and Joint Ventures***

There was no material acquisition or disposal of subsidiaries, associates or joint ventures during the Period.

### **Human Resources**

The Group adheres to a strong belief that one of the most valuable assets of a corporation is its employees. As at 30 June 2024, the Group had 129 (2023: 187) full-time and part-time employees in Hong Kong and Macau. Staff costs including Directors' emoluments for the Period were significantly streamlined at approximately HK\$23.8 million (2023: approximately HK\$29.9 million).

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

### **Dividends**

The Directors do not recommend the payment of interim dividend for the Period (2023: Nil).

### **Future Plans of Material Investments and Capital Assets**

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

### **Contingent liabilities**

As at 31 December 2023 and 30 June 2024, the Group did not have any material contingent liabilities.

### **Purchase, Sale or Redemption of Listed Securities**

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of any listed securities of the Company during the Period.

### **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. Both the Company and the Placing Agent intend to further extend the Placing Agreement to 31 January 2025.

## **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 Period.

## **CORPORATE GOVERNANCE PRACTICES**

The Company is committed to the establishment of good corporate governance practices and procedures. Throughout the Period, the Group has complied with the code provisions prescribed in the Corporate Governance Code (the “**CG Code**”) set out in the Appendix C1 to the Listing Rules.

## **AUDIT COMMITTEE**

The Company has established the Audit Committee with written terms of reference. At present, members of the Audit Committee comprise of 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. During the Period, two meetings of the Audit Committee have been held. The Audit Committee has reviewed the effectiveness of both the external audit and internal control and also the risk management evaluation. The unaudited consolidated interim results and the interim report of the Group for the Period have been reviewed by the Audit Committee.

## **OTHER BOARD COMMITTEES**

In addition to the Audit Committee, the Company has established a remuneration committee and a nomination committee on 16 September 2005. These board committees were formed to ensure the maintenance of high corporate governance standards.

## **PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

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

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

Hong Kong, 30 August 2024

*As at the date of this announcement, the Board comprised of Mr. Chen Jianwen and Ms. Chiu Lai Kuen, Susanna as Executive Directors; and Mr. Kwok Chi Shing, Mr. Lee Kwun Kwan and Mr. Yan Sherman Chuek-ning as Independent Non-executive Directors.*