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**TOWN HEALTH INTERNATIONAL HOLDINGS COMPANY LIMITED**

**康健國際控股有限公司\***

*(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)*

**(Stock Code: 3886)**

**DISCLOSEABLE TRANSACTION**

**SUBSCRIPTION OF NEW SHARES IN  
BONJOUR HOLDINGS LIMITED**

The Board is pleased to announce that the Company entered into the Subscription Agreement with Bonjour on 7 April 2010, pursuant to which Bonjour has conditionally agreed to allot and issue, and the Company has conditionally agreed to subscribe for 9,000,000 Subscription Shares at a total consideration of HK\$81.00 million. The aggregate of 9,000,000 Subscription Shares represent approximately (i) 3.92% of the existing issued share capital of Bonjour; and (ii) 3.77% of the issued share capital of Bonjour as enlarged by the allotment and issue of the Subscription Shares upon Completion.

As the applicable percentage ratios exceed 5% but are less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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\* For identification purpose only

## **THE SUBSCRIPTION AGREEMENT**

### **Date**

7 April 2010

### **Parties**

Subscriber: The Company

Issuer: Bonjour

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Bonjour and its ultimate beneficial owners is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

### **Subscription Shares**

Bonjour has conditionally agreed to allot and issue, and the Company has conditionally agreed to subscribe for 9,000,000 Subscription Shares at the subscription price of HK\$9.00 per Subscription Share. The aggregate of 9,000,000 Subscription Shares represent approximately (i) 3.92% of the existing issued share capital of Bonjour; and (ii) 3.77% of the issued share capital of Bonjour as enlarged by the allotment and issue of the Subscription Shares.

### **Subscription price**

The subscription price of HK\$9.00 per Subscription Share represents (i) a discount of approximately 10.18% to the closing price of HK\$10.02 per Bonjour Share as quoted on the Stock Exchange on 1 April 2010, being the last trading day immediately prior to the entering into of the Subscription Agreement; (ii) a discount of approximately 9.73% to the average of the closing price of approximately HK\$9.97 per Bonjour Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 1 April 2010; and (iii) a discount of approximately 5.99% to the average of the closing price of approximately HK\$9.573 per Bonjour Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 1 April 2010.

The subscription price per Subscription Share was arrived at after arm's length negotiations between the Company and Bonjour with reference to the recent trading prices of the Bonjour Shares.

### **Consideration**

The total consideration for the Subscription Shares is HK\$81.00 million which will be paid in cash by the Company to Bonjour upon Completion. The payment of such consideration will be funded by the internal resources of the Group.

## **Condition**

Completion shall be subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares.

If the above condition of the Subscription Agreement is not fulfilled on or before 30 April 2010 (or such later date as may be agreed between the Company and Bonjour in writing), the Subscription Agreement will terminate and cease to have effect and none of the parties thereto shall have any claim against the other save for any antecedent breaches of the provisions thereof.

## **Completion**

Completion will take place within three business days from the date on which the condition referred to above is fulfilled (or such later date as the Company and Bonjour may agree in writing).

The Company may direct Bonjour to allot and issue the Subscription Shares to its wholly-owned subsidiary at Completion.

## **Ranking**

The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves and with all other Bonjour Shares in issue on the date of allotment and issue of the Subscription Shares save that they will not rank for any dividends and distributions declared by Bonjour the record date for entitlement of which shall fall on a date before the date of Completion.

Bonjour announced in its announcement dated 30 March 2010 in respect of its annual results for the year ended 31 December 2009 that its board of directors recommended the payment of a final dividend of HK32.5 cents per Bonjour Share and a special dividend of HK17.5 cents per Bonjour Share, and a bonus issue (on the basis of five bonus shares for every one existing Bonjour Share). Where Completion takes place prior to the record date of the aforesaid dividends and bonus issue (such record date being 20 May 2010) and the distribution of the dividends and the bonus issue becoming unconditional, the Group will also be entitled to such dividends and bonus issue.

## **Non-disposal undertaking**

The Company has, pursuant to the Subscription Agreement, undertaken to and covenanted with Bonjour that, within the period of six months commencing from the date of Completion, it will not, and will procure its wholly-owned subsidiary which will be directed to take up the Subscription Shares will not, transfer or otherwise dispose of, or enter into any understanding or agreement to transfer or otherwise dispose of, any of the Subscription Shares without the prior written consent of Bonjour.

## **INFORMATION ON THE BONJOUR GROUP**

Bonjour is a company incorporated under the laws of the Cayman Islands whose shares are listed on the Stock Exchange. The Bonjour Group is principally engaged in the retail and wholesale of brand name beauty and healthcare products and the operation of beauty and health salons in Hong Kong.

The audited consolidated net asset value of the Bonjour Group as at 31 December 2009 was approximately HK\$249.80 million. The audited consolidated profit before and after taxation and extraordinary items of the Bonjour Group for the year ended 31 December 2008 were approximately HK\$159.46 million and HK\$132.49 million respectively. The audited consolidated profit before and after taxation and extraordinary items of the Bonjour Group for the year ended 31 December 2009 were approximately HK\$191.66 million and HK\$160.25 million respectively.

## **INFORMATION ON THE GROUP**

The Group is a management service provider for private medical and dental practices and an integrated healthcare service provider for the general public in Hong Kong predominantly under its widely known brandname “Town Health Centre 康健醫務中心”. The Group’s business activities can be broadly categorised into the (i) provision of healthcare and dental services; (ii) sale of healthcare and pharmaceutical products; and (iii) properties and securities investment business.

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

The Directors consider that the Group will be benefited from the synergy between the business of the Bonjour Group and the healthcare and related business of the Group. It is also expected that the Subscription Shares will provide the Group with good return in terms of dividends.

The Directors are of the view that the terms of the Subscription Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

As the applicable percentage ratios exceed 5% but are less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of Directors
“Bonjour”	Bonjour Holdings Limited (Stock Code: 653), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Stock Exchange

“Bonjour Group”	Bonjour and its subsidiaries
“Bonjour Shares”	ordinary shares of HK\$0.01 each in the share capital of Bonjour
“Company”	Town Health International Holdings Company Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability whose shares are listed on the Stock Exchange
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the conditional subscription of 9,000,000 Subscription Shares by the Company on terms and conditions set out in the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 7 April 2010 and entered into between Bonjour as issuer and the Company as subscriber in respect of the Subscription
“Subscription Shares”	new Bonjour Shares to be allotted and issued to the Company upon Completion
“HK\$” and “cents”	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**Town Health International Holdings Company Limited**  
**Cho Kwai Chee**  
*Executive Director*

Hong Kong, 7 April 2010

*As at the date of this announcement, the executive Directors are Miss Choi Ka Yee, Crystal, Dr. Cho Kwai Chee, Mr. Lee Chik Yuet and Dr. Hui Ka Wah, Ronnie, JP; the non-executive Director is Dr. Choi Chee Ming, GBS, JP; and the independent non-executive Directors are Mr. Chan Kam Chiu, Mr. Ho Kwok Wah, George and Mr. Wai Kwok Hung, SBS, JP.*