BONNY INTERNATIONAL HOLDING LIMITED
博尼国际控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1906)

(1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION — DISPOSAL OF A SUBSIDIARY; (2) POST-COMPLETION DISCLOSEABLE AND CONNECTED TRANSACTION; (3) POST-COMPLETION CONTINUING CONNECTED TRANSACTION; AND (4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Financial adviser to the Company

Innovax Capital

Independent Financial Adviser to the Independent Board Committee

BALLAS CAPITAL

Background

As disclosed in the annual report of the Company for the year ended 31 December 2024, the Group's core business is to design, research and development, production and sales of seamless and traditional intimate wear products. The Group continues to focus on providing one-stop intimate wear manufacturing solutions for the original design manufacturers (the "**ODM Business**") both in the PRC and overseas, and sale of traditional intimate wear products under the "Bonny" and "U+Bonny" brands through the retail network in the PRC (the "**Brand Products Business**").

Despite the effort of the Group throughout the years, the Group's Brand Products Business has been loss-making, and yet to show significant improvement. For the year ended 31 December 2025, the revenue derived from the Brand Products Business was approximately RMB33.4 million, representing a decrease of approximately RMB2.5 million, or approximately 7.0%, from segment revenue of approximately RMB35.9 million for the previous year.

To eliminate the ongoing drag on profitability from the Brand Products Business's declining revenue, Mr. Jin Bo, son of Mr. Jin, the controlling shareholder of the Company, proposed to acquire Bonny HK, which, as at the date of this announcement, is holding the Brand Products Business and the Property together with the bank and other borrowings secured by the Property amounting to approximately RMB222.9 million as at 31 December 2025. Upon Completion, the Group will focus on the ODM business and the all of the borrowings secured by the Property will be transferred out of the Group, thereby materially reducing the Group' overall financial burden.

The Disposal

On 10 April 2026, the Company entered into the SPA with the Purchaser and Mr. Jin (as guarantor) in relation to the sale and purchase of the entire issued capital of Bonny HK at a cash consideration of RMB241,700,000. Upon Completion, Bonny HK will cease to be a subsidiary of the Company.

As at the date of this announcement, the Purchaser is indirectly wholly-owned by Mr. Jin Bo, son of Mr. Jin; Mr. Jin (as guarantor under the SPA) is the controlling shareholder, chairman and executive Director of the Company. Accordingly, the Purchaser and Mr. Jin are connected persons of the Company and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to announcement, Independent Shareholders' approval and reporting requirements under the Listing Rules.

As the highest applicable percentage ratio in respect of the Disposal exceeds 75%, the transaction contemplated under the SPA constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Post-Completion Discloseable and Connected Transaction

Upon Completion, Bonny HK will cease to be a subsidiary of the Company. As the factory where the Group conducts its ODM Business is located at the Property which is owned by Zhejiang Bonny, Yiwu Bonny, a subsidiary of the Company, will enter into the Lease Agreement with Zhejiang Bonny upon Completion, pursuant to which, Zhejiang Bonny will lease the Leased Area to the Group for a term of three years commencing from Completion Date.

Upon Completion, Bonny HK will be wholly owned by the Purchaser which in turn is indirectly wholly owned by Mr. Jin Bo, and thus a connected person of the Company. Pursuant to HKFRS 16, the lease of the Leased Area under the Lease Agreement will be recognised by the Company as right-of-use assets, and the transaction contemplated under the Lease Agreement will be classified as an acquisition of right-of-use assets by the Company pursuant to the Listing Rules. Accordingly, in accordance with the guidance of the Stock Exchange regarding lease transactions adopting HKFRS 16, the transaction contemplated under the Lease Agreement will be treated as a one-off connected transaction under Chapter 14A of the Listing Rules. As the total consideration under the Lease Agreement is more than HK$10,000,000 and one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceeds 5%, the transaction contemplated thereunder is subject to the reporting, announcement and also Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Lease Agreement, on the basis of the value of the right-of-use assets to be recognised by the Company in connection with the Lease Agreement, exceed 5% but all are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction for the Company and is subject to the announcement requirements under Chapter 14 of the Listing Rules.

Post-Completion Continuing Connected Transaction

As the Group possess the machinery, equipment and techniques necessary for the Brand Products Business, upon Completion, the Company will enter into the Framework Agreement with Bonny HK, pursuant to which, the Group will provide manufacturing services for the Brand Products Business to the Bonny HK Group for a term of three years commencing from Completion Date.

As all applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for the Proposed Annual Caps of the Manufacturing Service Transactions under the Framework Agreement exceed 0.1% but are less than 5% on annual basis, the Manufacturing Service Transactions contemplated under the Framework Agreement are subject to the announcement and annual review requirements but are exempted from the circular, independent financial advice and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

An EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve the SPA, the Lease Agreement and the respective transactions contemplated thereunder.

As at the date of this announcement, Mr. Jin is the controlling Shareholder of the Company and beneficially interested in 793,125,000 Shares (representing approximately 53.91% of the total issued share capital of the Company). Accordingly, Mr. Jin and his associates will abstain from voting at the EGM on the resolution in relation to the SPA, the Lease Agreement and the respective transactions contemplated thereunder.

General

A circular containing, amongst other things, (i) further information on the Disposal and the Lease Agreement; (ii) a letter from the Independent Board Committee in respect of the Disposal and the Lease Agreement; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Disposal and the Lease Agreement; (iv) the Valuation Report of Bonny HK; (v) the Property Valuation Report; and (vi) a notice convening the EGM, will be sent to the Shareholders by the Company. The Company expects that the circular will be despatched on or before 27 April 2026 in order to allow sufficient time to prepare the necessary information for inclusion in the circular.

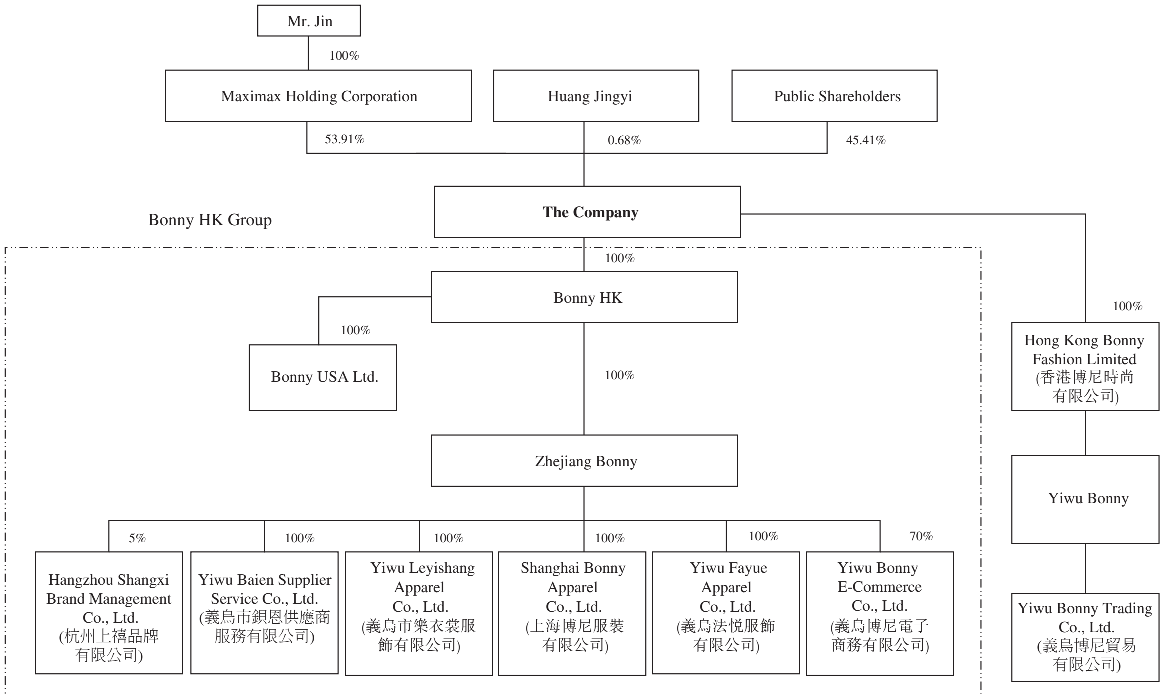
A. BACKGROUND

As disclosed in the annual report of the Company for the year ended 31 December 2024, the Group's core business is to design, research and development, production and sales of seamless and traditional intimate wear products. The Group continues to focus on providing one-stop intimate wear manufacturing solutions for the original design manufacturers (the "**ODM Business**") both in the PRC and overseas, and sale of traditional intimate wear products under the "Bonny" and "U+Bonny" brands (the "**Brand Products**") through the retail network in the PRC (the "**Brand Products Business**").

Despite the effort of the Group throughout the years, the Group's Brand Products Business has been loss-making, and yet to show significant improvement. For the year ended 31 December 2025, the revenue derived from the Brand Products Business was approximately RMB33.4 million, representing a decrease of approximately RMB2.5 million, or approximately 7.0%, from segment revenue of approximately RMB35.9 million for the previous year.

To eliminate the ongoing drag on profitability from the Brand Products Business's declining revenue, Mr. Jin Bo, son of Mr. Jin, the controlling shareholder of the Company, proposed to acquire Bonny HK, which, as at the date of this announcement, is holding the Brand Products Business and the Property together with the bank and other borrowings secured by the Property amounting to approximately RMB222.9 million as at 31 December 2025.

The structure of the Group and the Bonny HK Group as at the date of this announcement is as follows:



B. THE DISPOSAL

On 10 April 2026, the Company entered into the SPA with the Purchaser and Mr. Jin (as guarantor) in relation to the sale and purchase of the entire issued capital of Bonny HK at a cash consideration of approximately RMB241,700,000. Upon Completion, Bonny HK will cease to be a subsidiary of the Company.

Principal terms of the SPA

The principal terms of the SPA are as follows:

Date:	10 April 2026
Parties:	(1) The Company as the Vendor (2) Hong Kong Bo De Trade Co., Limited as the Purchaser (3) Mr. Jin Guojun as the guarantor

Assets to be disposed of:	Pursuant to the SPA, the Company has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares Zhejiang Bonny, a subsidiary of Bonny HK is holding and will continue to hold the Property immediately upon Completion.
Consideration and payment terms:	The total consideration for the Disposal is RMB241,700,000 (net of tax), which shall be payable by the Purchaser in the following manner: (a) 25% of the Consideration, being RMB60,425,000, shall be paid in cash at Completion (the "**Completion Payment**"); and (b) 25% of the Consideration, being RMB60,425,000, shall be paid on or before the date falling 18 months from the Completion Date (the "**First Post-Completion Payment**"); and (c) 50% of the Consideration, being RMB120,850,000, shall be paid on the second anniversary of the Completion Date (or such earlier date as agreed by both the Purchaser and the Vendor in writing) (the "**Second Post-Completion Payment**", together with the First Post-Completion Payment, the "**Post-Completion Payments**"). The Post-Completion Payments shall be evidenced by the Promissory Notes which shall be issued by the Purchaser to the Vendor at Completion.
Promissory Notes:	The principal terms of the First Promissory Note are as follows: Issuer: The Purchaser Issue date: Completion Date Noteholder: The Company Principal amount: RMB60,425,000

Maturity:	Payable within 18 months from the Completion Date, as agreed between the parties
Interest:	4.5% per annum
Interest payment:	Semi annually from the date of Completion
Security:	a share charge (the "**Share Charge**") over the Sale Shares to be given by the Purchaser, as chargor, in favour of the Company, as chargee

The principal terms of the Second Promissory Note are as follows:

Issuer:	The Purchaser
Issue date:	Completion Date
Noteholder:	The Company
Principal amount:	RMB120,850,000
Maturity:	Payable on or before the second anniversary of the Completion Date, as agreed between the parties
Interest:	4.5% per annum
Interest payment:	Semi annually from the date of Completion
Security:	The Share Charge

The payment arrangement involving the issue of the Promissory Notes was agreed upon after arm's length negotiation between the Company and the Purchaser after taking into account, among others, the security offered by the Purchaser to secure the Promissory Notes, the Purchaser's creditworthiness and the overall commercial terms of the transaction.

Notwithstanding that a substantial portion of the consideration is to be settled on a deferred basis, the Board considers that accepting the extended payment term is in the interests of the Company for the following reasons:

(i) *Security for payment obligation*

The Purchaser's obligations under the Promissory Notes are secured by the Share Charge, under which all the issued shares of Bonny HK owned by the Purchaser immediately after the Completion will be pledged to the Company to secure the deferred payment of the Consideration, the outstanding amount of which will represent not more than 75% of the Consideration plus interest to be accrued at 4.5% per annum. The Directors are of the view that the Share Charge provides sufficient protection against credit risk associated with the deferred settlement of the Consideration.

(ii) *Low and manageable credit risk*

Based on the due diligence work undertaken by the Company, the Directors have reviewed the asset profile of the Purchaser Group and noted that the land and properties located in Yiwu owned by the Purchaser Group have an estimated value of approximately RMB224.0 million to RMB268.8 million and are expected to generate annual rental income of approximately RMB30.0 million, while the prevailing market value of such assets exceeds the Purchaser Group's outstanding borrowings by approximately RMB185 million. In addition, the deferred portion of the Consideration, representing not more than 75% of the total Consideration, is secured by a share charge over 100% of the Sale Shares, and Mr. Jin has provided a personal guarantee in respect of the repayment obligations under the Promissory Notes. Taking into account the Purchaser Group's asset base, income-generating capacity, the security provided by the Share Charge and the personal guarantee offered by Mr. Jin, the Directors are of the view that the credit risk relating to the deferred settlement of the Consideration is reasonably low.

(iii) *Fair and Reasonable Terms of Deferred Consideration Settlement*

While 75% of the Consideration will be settled after Completion within two years, the deferred payment will entitle the Company to interest at the rate of 4.5% per annum. This rate is notably higher than the prevailing loan prime rate (LPR) published by the People's Bank of China (one-year LPR: 3.0%, five-year LPR: 3.5%), and exceeds the expected returns from typical time deposits or other low-risk investment options available to the Company. Consequently, the deferred settlement arrangement enables the Company to earn a favourable return on the outstanding amount, thereby representing an upside and financial benefit to the Company. Furthermore, the 4.5% per annum interest rate falls within the range of the interest rates of the Group's secured bank borrowings in 2025, demonstrating that the interest rate is broadly consistent with the Group's historical borrowing costs. In view of the above, the Board considers the terms of the deferred settlement to be fair and reasonable and in the best interests of the Company and its shareholders.

(iv) *No material adverse impact on the Company's liquidity*

The Directors have assessed the Group's projected cash flows and funding requirements after the Disposal and are of the view that the extended payment term will not have a material adverse impact on the Company's working capital position or its ability to operate its core business.

Taking into account the above, the Board is of the view that the deferred settlement of the Consideration, and the terms of the Promissory Notes, including the timing of the payments, the security offered to secure the payment and the interest entitlement under the Promissory Notes, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent: Completion shall be conditional upon

(a) the approval by the Independent Shareholders of the SPA, the Lease Agreement and the respective transactions contemplated thereunder at the EGM, and

(b) there being no law or order in existence and binding on any party that prohibits or makes illegal the Transactions or the execution, delivery or performance of the Transactions, and no pending proceedings by any governmental body that seek to prohibit or make illegal the Transactions or the execution, delivery or performance of the Transaction Documents.

None of the conditions is waivable. If any condition is not satisfied by 30 September 2026, the SPA shall cease to have effect immediately except for any rights or liabilities that have accrued prior to that time.

Completion: Completion shall take place after all of the conditions precedent have been satisfied on the later of (i) the third (3rd) Business Day after the condition precedent (a) has been satisfied and (ii) the thirtieth (30th) Business Day after the condition precedent (b) has been satisfied, or on such other date as the relevant Parties may mutually agree in writing.

Guarantee:	In consideration of the Company entering into the SPA with the Purchaser, Mr. Jin irrevocably and unconditionally as primary obligor: (i) guarantees to the Company the full, prompt and complete performance by the Purchaser of all the Purchaser's obligations, commitments and undertakings under or pursuant to the Transaction Documents including the proper and punctual payment of all sums due and payable by the Purchaser to the Company under or pursuant to the Transaction Documents when the same become due; and (ii) undertakes to the Company that if for any reason whatsoever the Purchaser defaults in the performance of any obligation, commitment or undertaking under or pursuant to the Transaction Documents, the Guarantor shall forthwith on demand by the Company unconditionally perform (or procure the performance of) and satisfy (or procure the satisfaction of) such obligation, commitment or undertaking.

Information of the Company and the Group

The Company is a company incorporated in the Cayman Islands with limited liability and is an investment holding company operating its business through its subsidiaries. The Group is principally involved in the manufacture and sale of brassieres, functional sportswear, panties and thermal underwear in the PRC.

Information of the Purchaser

Hong Kong Bo De Trade Co., Limited is a company incorporated under the laws of Hong Kong. It is wholly-owned by Newpoly Holding Corporation, a company incorporated under the laws of the British Virgin Islands and a wholly-owned company of Mr. Jin Bo. Hong Kong Bo De Trade Co., Limited and Newpoly Holding Corporation are both investment holding companies. The Purchaser Group holds lands and properties in Yiwu, the PRC.

Information of Mr. Jin

Mr. Jin is a PRC resident and the controlling Shareholder of the Company and beneficially interested in 793,125,000 Shares, representing approximately 53.91% of the total issued share capital of the Company as at the date of this announcement.

Information of Bonny HK

Bonny HK is a limited liability company incorporated in Hong Kong and, as at the date of this announcement, it is a direct wholly-owned subsidiary of the Company.

Principal business of the Bonny HK Group

The Bonny HK Group is principally engaged in the Brand Products Business, which is the sale of traditional intimate wear products under the "Bonny" and "U+Bonny" brands through the retail network in the PRC.

The Property

As at the date of this announcement, the Property is held by Zhejiang Bonny which is a subsidiary of Bonny HK. The Property is a factory complex with different floors and units. As at the date of this announcement, the Group occupies approximately one third of the Property as its factory for its ODM Business and Brand Products Business, with the remaining portion leased to Independent Third Parties or vacant.

Key financial information of the Bonny HK Group

Based on the unaudited consolidated financial information of the Bonny HK Group, the Bonny HK Group recorded a net liabilities of RMB152.9 million as at 31 December 2025. After adjusting for (i) the capitalization of advances of RMB361.4 million from the Company, (ii) the waiver of current accounts of RMB16.3 million between the Bonny HK Group and the Group, and (iii) the de-recognition of non-controlling interests in the Bonny HK Group of RMB1.1 million, the net asset values of the Bonny HK Group amounted to RMB223.7 million.

The unaudited consolidated financial information of the Bonny HK Group for the three years ended 31 December 2025 are set out below:

	For the year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
Loss before tax	34,479	41,947	71,674
Loss for the year	33,027	41,947	71,749
Major Assets			
Property, plant and equipment	180,906	173,794	173,952
Investment properties	228,070	268,103	257,159
Right-of-use assets	23,001	21,640	20,554
Inventories	42,438	36,265	27,217
Trade receivables	7,882	6,815	4,670
Prepayments, other receivables and other assets	3,565	4,112	10,355
Financial assets at fair value through profit or loss	—	—	620
Cash and cash equivalents	598	318	1,677
Major Liabilities			
Trade payables	1,071	1,410	976
Other payables and accruals	40,631	40,260	30,395
Interest-bearing bank and other borrowings (current)	88,281	107,981	135,186
Due to a related party (current)	—	4,800	—
Due to subsidiaries (current)	6,068	5,328	16,322
Interest-bearing bank and other borrowings (non-current)	42,555	53,792	87,680
Deferred tax liabilities	18,589	18,589	18,589
Due to the immediate holding company (non-current)	301,952	361,176	361,402*(Note)*

Note:

The amounts due from the Bonny HK Group to the Company, totalling approximately RMB361.4 million as at 31 December 2025, primarily arose from:

(i) consideration paid to the domestic shareholders of Zhejiang Bonny in the amount of approximately RMB165.9 million when Bonny HK acquired Zhejiang Bonny as part of the Group's corporate reorganisation in preparation for the Company's listing on the Stock Exchange in 2019; and

(ii) inter-company fund transfers to the Group's operating subsidiaries in the PRC in the amount of approximately RMB23.7 million for the purposes of constructing Phase II of the Beiyuan Production Site in the second quarter of 2019, approximately RMB77.6 million for acquisition and implementation of additional production equipment at the Beiyuan Production Site, and the remaining for enhancing product design, research and development capability and for general working capital.

It is expected that, subject to audit, the Group will recognize a gain in the amount of approximately RMB18.0 million from the Disposal, which is calculated based on the consideration of RMB241.7 million deducted by the unaudited adjusted net asset value of the Bonny HK Group attributable to the Company as at 31 December 2025 of approximately RMB223.7 million, before any related expenses.

The Company intends to apply the net proceeds from the Disposal (i) to the Group's general working capital, strengthening liquidity and supporting day-to-day operations, which may also give the Group greater flexibility to negotiate more favourable supplier terms (for example, longer credit or volume discounts); and (ii) as funds available for potential acquisitions, investments and other business opportunities as they arise, with the aim of expanding and diversifying the Group's business lines and enhancing its earnings base. As at the date of this announcement, the Company has not identified any specific acquisition or investment target and has not entered into any negotiations, letters of intent or agreements in relation to any such transactions. The Company will evaluate opportunities prudently and, where required, will comply with the Listing Rules and make further announcement(s) as and when required.

Below sets out the specific usages of the net proceeds, an allocation breakdown of each intended usage and expected timeline to fully utilize the proceeds from the Disposal.

Specific Purpose	**Allocation Details**	**Amount**	**Planned Use Deadline**
Strengthen the Core Supply Chain System	1. Sign cooperation agreements with core suppliers to lock in main raw material prices for a certain period. 2. Settle supplier payments with terms longer than 3 months; negotiate payment terms and pricing clauses with key suppliers to reduce unit procurement costs.	RMB60 million	31 December 2027
Increase R&D Investment	Expand the R&D team and support the development of new materials, new technologies, and new products.	RMB20 million	31 December 2027
Improve Overseas Processing Lines	Establish dedicated production lines in cooperation with overseas processing plants to shorten overseas processing production cycles.	RMB10 million	31 December 2027
Expand Sales Channels	1. Recruit teams with customer resources advantages and overseas marketing experience, and increase incentives for new customer development. 2. Participate in domestic and international industry exhibitions.	RMB10 million	31 December 2027
Build Intelligent Factories and High-Efficiency Dyeing Workshops	1. Build information systems and introduce relevant intelligent equipment. 2. Upgrade printing and dyeing equipment.	RMB10 million	31 December 2027
Supplement Working Capital	1. Pay employee salaries.		
	2. Other operating expenses.	RMB11.7 million	31 December 2027
Search for Potential Acquisition Targets	—	RMB120 million	31 December 2028

Upon completion of the Disposal, members of the Bonny HK Group will cease to be subsidiaries of the Company and their financial statements will no longer be consolidated into the Group's financial statements.

Valuation of Bonny HK

The Company engaged King Kee Appraisal and Advisory Limited as the independent valuer to conduct the Valuation of 100% equity interest in Bonny HK as at 31 October 2025 for the purpose of the Disposal. The Valuation has been prepared in accordance with the International Valuation Standards issued by the International Valuation Standards Council.

Basis and major assumptions

The Valuation was carried out on a fair value basis. Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

In conducting the Valuation, the Valuer has adopted certain assumptions which will be set out in the Valuation Report and forms part of the circular to be sent by the Company to the Shareholders. The major assumptions adopted by the Valuer are extracted below:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Company.

- The going concern can be achieved with the effort of the management of the Company.

- The financial and operational information provided to us by the Company is true and accurate.

- There are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported value. Further, the Valuer assumes no responsibility for changes in market conditions after the Valuation Date.

Valuation approach

To evaluate the market value of Bonny HK, the Valuer considered the market value of the Brand Products Business and its non-operating assets/liabilities related to the Property. In arriving at the assessed value of Bonny HK's Brand Products Business, the Valuer has considered three generally accepted approaches, namely, market approach, cost approach and income approach.

Market approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach.

Cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market.

Income approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile.

Bonny HK has provided the detailed cashflow forecast of Bonny HK that reliably describes future business plan and operation. Based on its best estimation, Bonny HK was expected to keep making loss in the future. Thus, the Valuer believes that the income approach is not applicable for the valuation of Bonny HK's equity value.

For cost approach, given Bonny HK's continued operating losses, the company's enterprise value lies in its future earnings potential rather than the simple aggregation of its assets. Investors are fundamentally concerned with prospective returns, not historical capital outlays. The fundamental limitation of the cost approach stems from its backward-looking nature—it focuses on historical investment and replacement costs. The cost approach becomes particularly unsuitable when: (i) asset values materially deviate from historical costs; (ii) impairment factors prove difficult to quantify; or (iii) the valuation objective requires reflecting the viewpoint of market participants. As these conditions apply to the valuation of Bonny HK , the cost approach is not appropriate.

In assessing the equity value of Bonny HK, the Valuer considered both the comparable company method and the comparable transactions method under the market approach. After careful consideration, the Valuer adopted the comparable transactions method as the primary valuation methodology for the reasons set out below.

Although Bonny HK has established a relatively complete apparel product sales system and distribution channels, its Brand Products Business differs significantly from listed peers in terms of revenue scale and number of retail outlets.

The comparable company method is based on trading multiples derived from the secondary market stock prices of listed companies. Such prices may be materially affected by non-operational factors, including macroeconomic policies, overall market conditions, liquidity, investor sentiment and short-term market volatility. As a result, secondary market prices may not accurately reflect the intrinsic value of enterprises, particularly where there is a material disparity in operating scale and financial performance between the subject company and listed peers. Accordingly, the Valuer considered that applying the comparable company method would not effectively reflect the equity value of Bonny HK.

In light of the above limitations, the Valuer placed greater reliance on valuation benchmarks derived from primary market transactions. By contrast, valuation multiples implied by primary market transactions are derived from prices agreed between buyers and sellers through arm's length negotiations and are generally more closely aligned with the fundamentals, asset quality, development potential and intrinsic value of the target companies. Given Bonny HK's loss-making position and its significant differences from listed peers, the Valuer considered that primary market transaction multiples provide a more reliable and relevant basis for valuation.

Notwithstanding its loss-making position, the Valuer noted, based on discussions with the Directors and management, that Bonny HK possesses certain qualitative business strengths, including a well-established sales network, industry goodwill, and stable cooperation with existing vendors and sales channels. These factors contribute to its underlying commercial value but are not adequately captured by secondary market comparable company analysis. The Valuer therefore considered that valuation multiples derived from comparable primary market transactions were more appropriate for reflecting these qualitative characteristics.

Selection of comparable transactions

As Bonny HK operates in the apparel industry in the PRC, the Valuer selected ten public transactions based on the following criteria:

	Criterion	Quantitative descriptions	Rationale
1.	Time window	Include transactions announced between 1 January 2021 and 31 October 2025	Ensures recency and market relevance
2.	Geography	Target location: Asia (e.g., Mainland China, Hong Kong, Korea, Southeast Asia)	Aligns market dynamics, regulation and consumer profile
3.	Industry	S&P Capital IQ industry = Apparel, Accessories & Luxury Goods	Enforces sector comparability
4.	Business similarity	Whether main business is branded apparel / garments / fashion with revenue from apparel industry accounted for more than 70% of total revenue	Matches Bonny HK's brand-led apparel model
5.	Transaction status	Include: Announced or Closed; Exclude: Withdrawn/Terminated	Uses observable market pricing; removes failed deals
6.	Control characteristics	No change of control. Practical rule: % equity transferred ≤ 49.9% or post-deal voting rights < 50%	Keeps set on minority pricing before applying control/marketability adjustments
7.	Data sufficiency	Transactions must disclose (i) consideration / implied equity value and (ii) latest annual or LTM revenue	Enables P/S multiple calculation
8.	Financial metric usability	Revenue > 0; exclude deals where valuation would rely on NAV, EBIT or Net profit multiples	Subject is loss-making and light-asset; sales-based multiple is most robust

The selected comparable targets are all apparel companies with garment manufacturing and independent brands, whose business models are comparable to Bonny HK Group. They are all located in Asia, providing comparable market environments. With complete transaction consideration and financial data obtainable from public databases, these transactions meet the requirements for calculating valuation multiples and relevant analysis. As Bonny HK was making loss as of the Valuation Date, the Valuer did not adopt the valuation multiples related to the EBIT or net profits. Apart from the above screening criteria in the database, the Valuer performed second-round selection, excluding cases with the following circumstances: (i) target's revenue from apparel industry took less than 70% of total revenue, (ii) top leaders in the industry, for example, a high density of retail stores, and (iii) implied multiples larger than 300% or lower than 30% of the average level of whole sample.

The Valuer applied the average P/S multiple implied by the comparable transactions for the Valuation. The implied P/S multiple was calculated based on implied equity value from the transaction, divided by the latest annual revenue of the target companies before announcement of the transaction.

Details of the ten comparable transactions are set out below:

No.	Announced Date	Target Company	Ticker	Exchange	Location	Buyer	% of equity transferred	Implied Equity Value	Target Revenue	Implied P/S	Market Cap	Business Description
1	2021-09-14	Toread Holdings Group Co., Ltd.	SZSE:300005	SZSE	China	Ningbo Baiyi Qianshun Management Consulting Partnership Enterprise (Limited Partnership)	5.00%	1126.57	158.61	7.1x	1,146.80	Outdoor apparel & gear; brands TOREAD / TOREADKIDS / TOREAD.X
2	2022-05-16	Barrel Co., Ltd.	KOSDAQ:A267790	KOSDAQ	South Korea	The Nature Holdings Co., Ltd. (KOSDAQ:A298540)	28.36%	104.52	18.39	5.7x	19.10	Activewear & water sports; yoga accessories; neoprene products
3	2022-10-15	Zhejiang Bangjie Holding Group Co., Ltd.	SZSE:002634	SZSE	China	Shanghai Fangyuan Dachuang Investment Partnership Enterprise (Limited Partnership)	6.00%	500.81	94.63	5.3x	331.30	Seamless garments; underwear; sports/outdoor & casual wear
4	2023-07-14	Nexg Bina Berhad	KLSE:NEXGBINA	KLSE	Malaysia	Hong Seng Consolidated Berhad (KLSE:HONGSENG)	32.00%	40.86	9.60	4.3x	15.60	Undergarments OEM & own brand; exports to global brands
5	2023-12-30	Annil Co., Ltd.	SZSE:002875	SZSE	China	Zhejiang Yongxi Asset Management Company; Jinjiang Qianji Private Fund Management Co., Ltd.	12.00%	422.95	113.47	3.7x	559.90	Children's apparel under the Annil brand
6	2025-06-12	Jiangsu Times Textile Technology Co., Ltd.	SZSE:001234	SZSE	China	Guangzhou Light Industry Trade Group Co. Ltd	30.00%	348.51	121.32	2.9x	424.20	Knitted fabrics & clothing; sportswear, casual, kids' clothing
7	2023-02-08	Lancy Co., Ltd.	SZSE:002612	SZSE	China	—	5.00%	1576.97	562.30	2.8x	1,262.60	Women's & children's apparel under multiple brands (e.g., LANCY, Agabang)
8	2023-05-16	Ribo Fashion Group Co., Ltd.	SHSE:603196	SHSE	China	Jingyu Asset Management (Shanghai) Co., Ltd.	8.26%	374.15	139.42	2.7x	791.40	Women's fashion brands: Broadcast, Broadcute, C_R_Z, MUCHELL, etc.
9	2024-10-18	People's Garment Public Company Limited	SET:PG	SET	Thailand	Saha Pathana Inter-Holding Public Company Limited (SET:SPI)	1.26%	25.43	23.92	1.1x	21.10	Menswear/womenswear/ children's wear; uniforms; innerwear; licensed brands incl. Arrow, Lacoste, Mizuno
10	2022-09-19	Shenzhen Huijie Group Co., Ltd.	SZSE:002763	SZSE	China	—	5.03%	402.76	388.84	1.0x	435.70	Lingerie & apparel; brands Manifen, Ives, Lanzhuoli, UNDERSTANCE

The above comparable transactions form an exhaustive list based on the selection criteria.

The implied P/S multiples derived from the comparable transactions exhibit a relatively wide range, primarily due to inherent differences among the selected targets, including variations in brand positioning, scale of operations, product mix, growth prospects, geographic exposure and market sentiment at the time of the respective transactions. Such dispersion is commonly observed in market-based valuation analyses for the apparel and branded consumer goods sector, particularly where transactions span multiple jurisdictions and market cycles.

In selecting the comparable transactions, the Valuer identified and excluded obvious statistical outliers, namely transactions with implied P/S multiples that were significantly higher than 10.0x or lower than 1.0x, as such multiples would not be representative of prevailing market norms for comparable branded apparel businesses. Following the exclusion of these extreme observations, the remaining sample comprised transactions with implied P/S multiples ranging from 1.0x to 7.1x, which the appraisers considered to reflect a reasonable and commercially justifiable spectrum for comparable companies in the industry.

With respect to the use of the average P/S multiple, the Valuer considered this approach appropriate in the present circumstances for the following reasons:

(i) the selected comparable transactions, after the exclusion of obvious outliers, represent a balanced and sufficiently broad sample of market evidence, without undue concentration at either end of the range;

(ii) no single transaction was assessed to be disproportionately influential or unrepresentative of the overall market conditions; and

(iii) the use of an average multiple ensures that all valid and relevant market observations are taken into account, thereby mitigating the risk of bias that could arise from reliance on any individual transaction or selective point within the range.

Accordingly, the average implied P/S multiple was considered to provide a fair and objective benchmark for valuation purposes, appropriately reflecting prevailing market pricing for comparable branded apparel businesses, and consistent with generally accepted market valuation practices.

As the equity value of Bonny HK is on a controlling, non-marketable basis, the Valuer applied certain adjustments.

In deriving the Valuation, the Valuer has prepared a valuation of the property interests held for investment as at 31 October 2025, which was approximately RMB257,601,000, by way of direct comparison approach making reference to comparable sales transactions as available in the relevant market (the "**Investment Property Valuation**").

The Valuer has also prepared a Property Valuation Report to determine the value of the Property including property interests held and occupied by the Group and property interests held for investment by the Group as at 31 January 2026, which was approximately RMB459,364,000, including RMB203,099,000 for the property held and occupied by the Group in the PRC and RMB256,265,000 for the property held for investment by the Group in the PRC, by way of direct comparison approach making reference to comparable sales transactions as available in the relevant market (the "**Property Valuation**").

For both the Investment Property Valuation and the Property Valuation, the Valuer followed "The RICS Valuation — Global Standards" issued by The Royal Institution of Chartered Surveyors with reference to the "International Valuation Standards" published by the International Valuation Standards Council. Under the said standards, market value is defined as: "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

As confirmed by the Valuer, both of the report for the Investment Property Valuation and the Property Valuation Report are prepared in accordance with the requirements set out in Chapter 5 and Practice Note 12 of the Listing Rules.

Based on the above, calculation details of the market value of Bonny HK as at the Valuation Date are summarised as follows:

Bonny HK's LTM revenue of the Brand Products Business (RMB'000)	34,607
Average multiple	3.7x
Preliminary value of indicated equity value (RMB'000)	126,392
Less: Marketability discount *(note 1)* of 28%	(35,390)
Add: Control premium *(note 1)* of 25%	31,598
Implied 100% equity value of the Brand Products Business (RMB'000)	122,600
Add: Non-operating assets related to property *(note 2)*	263,446
Less: Non-operating liabilities related to property	(144,372)
Total equity value of Bonny HK	241,700

Notes:

1. As the comparable transaction multiples were calculated on marketable, non-controlling basis, a marketability discount and control premium was adjusted for Bonny HK.

   The 28% marketability discount was determined by reference to well-established empirical studies on discounts for lack of marketability, including the SEC restricted stock studies and subsequent research conducted by Gelman (1968-1970), Trout (1968-1972), Maher (1969-1973), Silber (1981-1988), Management Planning, Inc. (1980-1995), Johnson (Business Valuation Resources, 1991-1995), FMV Opinions Inc. (1997-2008) and Columbia Financial Advisors (1996-1998). These studies report median marketability discounts generally ranging from the low 20% level to above 30%.

   Based on a review of the above research, the simple average marketability discount is approximately 28%, which is consistent with commonly adopted valuation practice for private companies or non-marketable equity interests. Accordingly, the Valuer considers that the application of a 28% marketability discount is reasonable, supportable and in line with empirical evidence and prevailing valuation practice.

   The control premium of 25% was determined by reference to established empirical studies on takeover premiums in the U.S. and Australian markets, which are commonly used in valuation practice due to the maturity of their capital markets and the availability of long-term, statistically robust data. Such studies indicate that takeover premiums typically fall within a range of 11% to 42%, and the adopted control premium of 25% is broadly consistent with the long-term median observed in these markets.

   At present, there is no widely recognised or empirically robust control premium study specific to the Asian market, nor any industry-specific research that would provide a reliable alternative benchmark. In accordance with standard valuation principles, where local data is limited or not representative, it is appropriate to place reliance on well-established international benchmarks.

Furthermore, a control premium reflects the economic benefits associated with obtaining control, including decision-making authority, strategic flexibility and the ability to realise synergies. These benefits are not jurisdiction-specific and would similarly accrue to a purchaser of Bonny HK. Accordingly, the adoption of a 25% control premium is considered reasonable and consistent with prevailing valuation practice.

2. Non-operating assets related to property includes the value of the property interests held for investment as at 31 October 2025, which was approximately RMB257,601,000, plus prepayment related to the Property in the amount of approximately RMB5,845,000.

The appraised equity value of the Brand Products Business of Bonny HK as at 31 October 2025 is approximately RMB241,700,000.

View of the Directors

In assessing whether the Valuation is fair and reasonable, the Directors have undertaken the following steps and considered various factors.

- the Company assigned a representative to negotiate the terms of the transaction with the controlling shareholder on behalf of the Company to ensure that the terms of the transaction were arrived at after arm's length negotiations

- the Company established an independent board committee comprising the independent non-executive Directors to consider the transaction and the Valuation. The independent board committee has been responsible for overseeing the process and evaluating whether the terms of the transaction, including the Valuation, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

- the Company engaged an independent professional valuer to conduct the valuation of the relevant assets. The Directors have reviewed the valuation report and discussed with the independent valuer the valuation methodology adopted, the key assumptions and the basis of the valuation. The Directors understand that the valuer has conducted its work in accordance with generally accepted valuation standards; and

- the Company engaged an independent financial adviser to advise the independent board committee and the independent shareholders on the fairness and reasonableness of the transaction. The independent board committee has considered the initial advice and opinion of the independent financial adviser in forming its view.

Taking into account the independent valuation, the advice of the independent financial adviser, the discussions with the valuer regarding the valuation methodology and key assumptions, as well as the negotiation process, the Directors consider that the Valuation is fair and reasonable and in the interests of the Company and its shareholders as a whole.

Basis of the consideration

The consideration of the Disposal was determined after arm's length negotiations with reference to, among others, (i) the financial results and the loss making nature of the Bonny HK Group for the previous financial years; (ii) the revenue derived from the Brand Products Business for the previous financial years; (iii) the net asset values of the Bonny HK Group; (iv) the valuation of the Bonny HK Group as at 31 October 2025 under the Valuation Report; and (v) the prevailing market condition of the apparel industry in the PRC.

Having considered the factors in arriving at the consideration, as described above, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the Independent Financial Adviser) are of the view that the consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Reasons for and benefits of the Disposal

1. Disposal of Bonny HK

The Group's Brand Products Business, which is conducted through Bonny HK, has been loss-making since 2018 and has not demonstrated a sustainable turnaround. The revenue from the Brand Products Business has declined from RMB42.7 million in 2023 to RMB33.4 million in 2025. For the year ended 31 December 2025, the revenue from the segment further decreased by approximately 7.0% as compared to 2024, and the segment recorded a loss of approximately RMB12.6 million.

The Directors attribute the underperformance of the Brand Products Business to structural and operational challenges, including intense domestic competition, limited operating scale, low efficiency and weak operating leverage. In response, the Group adopted a conservative strategy focused on cash flow preservation, including the closing of underperforming retail outlets, resulting in a shrinking of the retail network to 109 stores as at 31 December 2025 (2024: 116). Notwithstanding these measures, the Brand Products Business has continued to weigh on the Group's overall performance.

By contrast, the Group's ODM Business remains both its core business and primary profit driver, consistently serving as the primary source of revenue and operating profit. Although the ODM Business has faced volatility in recent years due to external pressures such as tariff increases, it has remained resilient, delivering segment profits of approximately RMB55.8 million in 2024 and RMB39.4 million in 2025. The Directors believe that the Disposal will enable the Group to separate its loss-making, non-core operations from its profitable and cash-generative core business, sharpening operational focus and enhancing earnings quality.

Accordingly, the Directors consider it appropriate to dispose of Bonny HK to eliminate the ongoing drag on profitability, streamline the Group's business structure, and enable the management to focus resources on strengthening and developing the ODM Business.

2. Indirect Disposal of the Property

The Disposal constitutes an indirect disposal of the Property which is owned by the Bonny HK Group.

The Property is pledged as collateral for substantial bank borrowings of approximately RMB222.9 million as at 31 December 2025. The Property has saddled the Group with a relatively elevated level of debt and gearing, and materially distorted the Group's balance sheet with a net current liabilities of approximately RMB73.7 million.

The Directors consider that these figures largely reflect the financial burden of the loss-making Brand Products Business and its associated property ownership and financing structure, rather than the operating performance of the Group's core ODM Business.

In addition, the Property is underutilised. Only approximately one-third of its gross floor area is used for the Group's production; the remainder is either vacant or leased to third parties. In recent years, a weakened local industrial property market has led to declining rental income and recurring fair value losses. Property-related expenses, including depreciation, finance costs and changes in fair value, have exceeded rental income, resulting in a net financial burden rather than a contribution to earnings.

Ownership of the Property also exposes the Group to ongoing regulatory and compliance risks. Since 2019, Zhejiang Bonny, as the owner of the Property, has been subject to the Yiwu local government's full life-cycle management regime for industrial land (工業用地全生命週期管理), which involves ongoing assessments of tax contribution per mu. Since 2022, under the prevailing rules and the contract entered into between Zhejiang Bonny and the Yiwu local government, Zhejiang Bonny's annual average tax contribution per mu shall not be less than RMB100,000; from 1 January 2027, the minimum annual average tax contribution per mu shall increase to RMB160,000, subject to rolling three-year assessments. The benchmarks are rising based on the recent governmental policy papers.

Failure to meet this threshold may result in penalties and, in extreme cases, repossession of the land. After the Disposal, the Group will cease to own the Property and thus not subject to the aforesaid assessments of tax contribution per mu.

Besides, owners of industrial land are required to participate in annual industrial output efficiency evaluations, the results of which affect access to preferential policies on taxation, energy use, environmental capacity and talent support, and persistent underperformance may ultimately lead to land reclamation. Following the Disposal, the Group (excluding the Bonny HK Group) will cease to be an owner of industrial land. The assessment thresholds (such as tax contribution, industrial output, etc.) applicable to an enterprise as lessee of properties (instead of an owner) are considerably lower. For instance, based on the regulations currently applicable, the threshold for annual average tax contribution per mu for lessee enterprise is RMB150 per square meter, which is considerably less than the threshold of RMB300,000 per mu (equivalent to RMB450 per square meter) for land-owner enterprise. Consequently, the associated regulatory and compliance pressure would therefore be comparatively lower.

Furthermore, partial disposal of the Property is not legally feasible. Under PRC regulations, the land use right and the buildings erected thereon are legally inseparable and must be transferred together. Zhejiang provincial policies and the land use right grant contract entered into by Zhejiang Bonny also stipulate that the industrial land shall, in principle, be transferred as a whole and shall not be divided for separate transfer. The Group is therefore unable to dispose of individual floors or portions of the Property, and any lawful disposal must involve the entire Property together with the underlying land use right.

Given constrained liquidity, net current liabilities and uncertainties in the global garment export market, the Directors believe that the continued ownership of the Property is not in the Group's best interests. Disposing of the Property together with the Bonny HK Group will allow the Group to reduce the debt secured by the Property, alleviate balance-sheet pressure, reducing exposure to non-core assets and associated financial commitments, unlock capital tied up in a non-core asset, and enhance financial flexibility and liquidity for the core ODM Business.

3. Sale-and-Leaseback Arrangement

Notwithstanding that the Property is the only manufacturing site of the Group, the Directors consider that disposing of the Property while leasing back the relevant production area strikes an appropriate balance between financial optimisation and operational continuity.

Under the leaseback arrangement, the Group will continue its ODM manufacturing operations at the same premises on normal commercial terms, ensuring uninterrupted production and avoiding disruption to customers, employees and supply chains. The rental payable under the leaseback arrangement has been determined by reference to prevailing market rents for comparable industrial premises and is broadly comparable to the depreciation charges that would have been recognised had the Group continued to own the Property. Accordingly, the leaseback is not expected to impose a material additional operating cost burden on the Group.

The Board has also assessed the long-term risks associated with leasing, including lease expiry, rental adjustments and early termination. These risks are considered manageable, taking into account (i) the lease being on arm's length terms with mutual six-month termination provisions, (ii) the Group's prior experience in factory relocation, and (iii) the availability of alternative industrial premises in Yiwu. The Directors further consider that a leasing model provides greater operational flexibility, allowing the Group to adjust its production footprint in response to market conditions without long-term capital commitment.

By disposing of Bonny HK together with the Property, the Group can (i) exit a loss-making, non-core business, (ii) remove non-representative property-related assets, liabilities and financing from its consolidated financial statements, (iii) substantially reduce indebtedness and improve liquidity, and (iv) adopt a more asset-light and focused operating model centred on the ODM Business.

In view of the reasons and benefits above, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the Independent Financial Adviser) are of the view that (a) the terms and conditions of the SPA are fair and reasonable; and (b) the Disposal are in the interests of Company and the Shareholders as a whole.

Continuation of the ODM Business and independent operations of the Group

Following completion of the Disposal, the Group (excluding the Bonny HK Group) will continue to operate the ODM Business as its core and principal business. The ODM Business primarily engages in the design, development and manufacturing of seamless apparel products for corporate customers, providing integrated services covering product design, sample development, procurement of raw materials, manufacturing, dyeing, finishing and packaging.

The ODM Business has in the past eight years contributed over 70% of the Group's total revenue and has consistently recorded positive segment results in prior financial years. The Disposal involves the divestment of the Brand Products Business, which is a loss-making segment, and therefore does not adversely affect the Group's primary revenue-generating capability.

Upon completion of the Disposal, the Group will continue its production operations by leasing back the relevant portion of the factory premises pursuant to the Lease Agreement. The Group will recognise the corresponding right-of-use assets, and its production capacity and operational continuity will remain intact. The Group will continue to operate at a meaningful scale, supported by a workforce of over 500 employees engaged in production, research and development, sales and business development of the ODM Business.

The ODM Business and the Brand Products Business operate independently in terms of business model, customer base, supplier network, production arrangements and management structure. The ODM Business primarily serves overseas and domestic corporate customers on a business-to-business basis, whereas the Brand Products Business focuses on the sale of self-branded products to end consumers in the PRC domestic market. The two businesses do not share sales channels and are managed by separate management and sales teams.

The Company has no intention to dispose of or materially downsize the ODM Business. The Group intends to continue developing the ODM Business as a core component of its long-term strategy by strengthening design and research and development capabilities, diversifying international markets beyond the United States (including Europe and Latin America), and adopting a more flexible and asset-light operating model to mitigate geopolitical and trade-related risks. The development of the ODM Business is expected to be financed by internally generated funds and part of the proceeds from the Disposal.

The Directors are of the view that following completion of the Disposal, the Group (excluding the Bonny HK Group) will continue to have sufficient operations and assets, and will remain independently operable with a sustainable and viable business.

C. POST-COMPLETION DISCLOSEABLE AND CONNECTED TRANSACTION — LEASE OF PROPERTY

Upon Completion, Bonny HK will cease to be a subsidiary of the Company. As the factory where the Group conducts its ODM Business is located at the Property which is owned by Zhejiang Bonny, Yiwu Bonny will enter into the Lease Agreement with Zhejiang Bonny upon Completion, pursuant to which, Zhejiang Bonny will lease the Leased Area to the Group for a term of three years commencing from Completion Date.

The Lease Agreement

The principal terms of the Lease Agreement are as follows:

Date:	To be entered into simultaneously with Completion on the Completion Date.
Parties:	Zhejiang Bonny as landlord; and Yiwu Bonny as tenant
Leased Area:	7th Floor of Block 1, 1-5th Floor of Block 3, 2-4th Floor of Block 4 and Dormitory Building of the Property.
Term:	Effective from Completion Date and continue for a term of three years.
Usage:	The Leased Area shall be used as the factory of the ODM Business of the Group and the provision of manufacturing services to the Bonny HK Group for the Brand Products Business.
Rent:	RMB8,377,581 per year. The rent shall be payable yearly in advance.
Management fee:	RMB3,854,312 per year.
Discount:	A 7% discount will be offered by Zhejiang Bonny to Yiwu Bonny if the total rent and management fee for the three-year period are settled in a single upfront payment.

Utilities fee:	To be calculated based on actual consumption. The applicable tariff rates are RMB1.0 per kWh for electricity and RMB6 per ton for water (tax included). These amounts will be collected by Zhejiang Bonny on a monthly basis.
Pricing basis:	The rental pricing has been determined after arm's length negotiations between the parties, after taking into consideration the prevailing rental levels for comparable premises within the same building and in nearby properties.
Deposit:	RMB1,000,000 payable upon signing of the Lease Agreement, which shall be returned to Yiwu Bonny upon expiry of the term of the Lease Agreement.
Right-of-use asset:	In accordance with the requirement of HKFRS 16, the lease of the Leased Area under the Lease Agreement will be recognised as a right-of-use asset of the Group for an amount of approximately RMB22.9 million.
Termination:	Zhejiang Bonny or Yiwu Bonny may terminate the Lease Agreement by providing six months' prior written notice to the other party. Zhejiang Bonny shall refund the unused portion of prepaid rent together with the deposit within three days following inspection and acceptance of the premises.

Information of Zhejiang Bonny

Zhejiang Bonny is a limited liability company established in the PRC principally engaged in the manufacture and trade of brassieres, panties, thermal underwear and functional sportswear. It is wholly owned by Bonny HK.

Information of Yiwu Bonny

Yiwu Bonny is a limited liability company established in the PRC principally engaged in manufacture of brassieres, panties and thermal underwear. It is wholly owned by the Company.

Reasons for and Benefits of Entering into the Lease Agreement

To maintain its ODM Business operations, the Group will continue to utilize the Leased Area, which is currently used for manufacturing activities related to its ODM Business and Brand Products Business. Accordingly, upon completion of the Disposal, the Group will enter into the Lease Agreement with the Bonny HK Group for leasing the Leased Area. This will enable the Group to sustain its ODM manufacturing operations and provide manufacturing services for the Brand Products Business of the Bonny HK Group.

In view of the above, the Directors (excluding the independent non-executive Directors who will give their view after taking into consideration of the advice of the Independent Financial Adviser) are of the view that the terms and conditions of the Lease Agreement are fair and reasonable and in the interests of Company and the Shareholders as a whole.

D. POST-COMPLETION CONTINUING CONNECTED TRANSACTION — MANUFACTURING SERVICE TRANSACTIONS

As the Group possess the machinery, equipment and techniques necessary for the Brand Products Business, upon Completion, the Company will enter into the Framework Agreement with Bonny HK, pursuant to which, the Group will provide manufacturing services to the Bonny HK Group for the Brand Products Business for a term of three years commencing from Completion Date.

The Framework Agreement

The principal terms of the Framework Agreement are as follows:

Date:	To be entered into simultaneously with Completion on the Completion Date.
Parties:	The Company; and Bonny HK
Term:	Three years commencing from Completion Date.
Subject matter:	The Group shall provide manufacturing service to the Bonny HK Group for the Brand Products Business during the term of the Framework Agreement.

Pricing basis:	The price is determined based on reasonable profit margins of approximately 23% to 35% depending on different product categories on top of costs reasonably incurred by the Group. The costs and profit margins are determined by reference to the rates for similar services provided to Independent Third Parties, costs incurred by the Group related to materials and products used and/or procured, manpower in the provision of manufacturing services, and made after arm's length negotiation.
Historical transaction amount:	For the three years ended 31 December 2023, 2024 and 2025, the amount paid by Bonny HK Group to the Group were nil, nil and nil respectively.
Proposed Annual Caps:	RMB8.5 million, RMB8.5 million and RMB8.5 million for the three years ending 31 December 2028, respectively.
Basis for the Proposed Annual Caps:	The Proposed Annual Caps were determined with reference to (i) the historical production volume of the Brand Products; (ii) the estimated volume of the Brand Products expected to be manufactured by the Group during the relevant periods; and (iii) respective average profit margin of each category.

The historical transaction amounts were determined primarily by production volume and unit production cost of Brand Products. For the three years ended 31 December 2025, the approximate historical production quantities and corresponding production costs of Brand Products were as follows:

Year ended 31 December	**Product Quantity (Units)**	**Total Production Cost** *(RMB)*	**Average Unit Cost** *(RMB/Unit)*
2023	826,400	17,196,000	20.81
2024	777,700	15,737,000	20.24
2025	180,400	8,322,000	46.13

Based on the above, the average annual production quantity for the three years amounted to approximately 594,800 units, with an average annual production cost of approximately RMB13,751,700, corresponding to an average unit cost of approximately RMB29.06 per unit.

For the purpose of determining the Proposed Annual Caps, the Company has assumed that the future transaction volume will be approximately 40% of the historical average production quantity, i.e. approximately 237,920 units, with the corresponding estimated processing cost of approximately RMB6,914,000, based on historical average unit costs which primarily reflects the Group's reduced production capacity following the closure of the production base.

The transaction price is determined on a cost-plus basis, being the actual production cost plus a reasonable gross profit margin. Based on the estimated cost and applying a gross profit margin consistent with historical levels, the estimated annual transaction amount is approximately RMB8,500,000.

Reasons for and Benefits of Entering into the Framework Agreement

The Bonny HK Group is principally engaged in the Brand Products Business, which involves the sale of traditional intimate wear products under the "Bonny" and "U+Bonny" brands through its retail network in the PRC. The Bonny HK Group does not have any manufacturing capability. Accordingly, to sustain its Brand Products Business following Completion, the Bonny HK Group will continue to procure from the Group, which possesses the requisite machinery, equipment, and technical expertise to provide manufacturing services for the Brand Products Business. However, it is expected that the volume of such procurement may decrease going forward. This is primarily due to the Group's decision to close its production site in Yushan County in the first half of 2025. As disclosed in the 2025 interim report, the Group retains only one production base located in Beiyuan Street, Yiwu City, Zhejiang Province, resulting in a reduction in overall production capacity. In addition, while the Bonny HK Group will continue to engage the Group for manufacturing services where appropriate, it is not contractually restricted from sourcing such services from third parties and may engage other manufacturers based on its business needs.

In view of the above, the Directors are of the view that the terms and conditions of the Framework Agreement are fair and reasonable and in the interests of Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES

The Group will adopt internal control procedures and corporate governance measures in relation to the transactions contemplated under the Framework Agreement in order to ensure that the pricing mechanism and terms of the transactions are fair and reasonable and no less favourable than the terms provided by any Independent Third Parties, so as to ensure that they serve the interests of the Company and its Shareholders as a whole. Such procedures and internal control measures mainly include:

(i) the senior management of the Company shall be responsible for monitoring whether the terms of the Framework Agreement as agreed are fair and reasonable and no less favourable than those offered by Independent Third Parties and that the Proposed Annual Caps therein are not exceeded, and in accordance with the Framework Agreement and the pricing policies of the Company;

(ii) the Company will supervise the transactions contemplated under the Framework Agreement. Specifically, the relevant personnel of the Company will review and assess the details of the transactions to ensure compliance with the terms of the Framework Agreement. The chief executive officer of the Company will be responsible for monitoring and approving the amount of the Brand Products to be manufactured while the financial controller of the Company will be responsible for verifying the accuracy of the manufacturing orders in respect of the order amounts and overseeing payments;

(iii) the auditors of the Company will conduct annual review of the pricing of the Framework Agreement and the Proposed Annual Caps; and

(iv) the independent non-executive Directors will conduct a review of the Framework Agreement to ensure that the such transactions contemplated thereunder are (a) in the ordinary and usual course of the Group's business; (b) conducted either on normal commercial terms or better, or where there is no available comparison, on terms that are fair and reasonable so far as the Independent Shareholders are concerned; (c) in accordance with the terms of the Framework Agreement; and (d) in accordance with the pricing policies of the Group, where applicable.

The Directors believe that the above measures will ensure that the transactions contemplated under the Framework Agreement will be conducted on normal commercial terms or better and in the interests of the Company and its shareholders as a whole.

E. IMPLICATIONS UNDER THE LISTING RULES

The SPA

As at the date of this announcement, the Purchaser is indirectly wholly-owned by Mr. Jin Bo, son of Mr. Jin; Mr. Jin (as guarantor under the SPA) is the chairman and executive Director of the Company. Accordingly, the Purchaser and Mr. Jin are connected persons of the Company and the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to announcement, Independent Shareholders' approval and reporting requirements under the Listing Rules.

As the highest applicable percentage ratio in respect of the Disposal exceeds 75%, the transaction contemplated under the SPA constitutes a very substantial disposal for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The Lease Agreement

Upon Completion, Bonny HK will be wholly owned by the Purchaser which in turn is indirectly wholly owned by Mr. Jin Bo, and thus a connected person of the Company. Pursuant to HKFRS 16, the lease of the Leased Area under the Lease Agreement will be recognised by the Company as right-of-use assets, and the transaction contemplated under the Lease Agreement will be classified as an acquisition of right-of-use assets by the Company pursuant to the Listing Rules. Accordingly, in accordance with the guidance of the Stock Exchange regarding lease transactions adopting HKFRS 16, the transaction contemplated under the Lease Agreement will be treated as a one-off connected transaction under Chapter 14A of the Listing Rules. As the total consideration under the Lease Agreement is more than HK$10,000,000 and one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceeds 5%, the transaction contemplated thereunder is subject to the reporting, announcement and also Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Lease Agreement, on the basis of the value of the right-of-use assets to be recognised by the Company in connection with the Lease Agreement, exceed 5% but all are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

The Framework Agreement

Upon Completion, Bonny HK will be wholly owned by the Purchaser which in turn is indirectly wholly owned by Mr. Jin Bo, and thus a connected person of the Company. The Manufacturing Service Transactions constitute continuing connected transaction under Chapter 14A of the Listing Rules.

As all applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for the Proposed Annual Caps of the Manufacturing Service Transactions under the Framework Agreement exceed 0.1% but are less than 5% on annual basis, the Manufacturing Service Transactions contemplated under the Framework Agreement are subject to the announcement and annual review requirements but are exempted from the circular, independent financial advice and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Independent Board Committee

An Independent Board Committee comprising all independent non-executive Directors has been established by the Company to advise the Independent Shareholders in respect of the terms of the SPA, the Lease Agreement and the respective transactions contemplated thereunder.

Voting on board resolutions

Mr. Jin is the father of Mr. Jin Bo, the ultimate owner of the Purchaser; Ms. Gong Lijin, a non-executive Director, is the spouse of Mr. Jin; and Ms. Huang Jingyi, a non-executive Director, is the niece of Mr. Jin. As such, Mr. Jin, Ms. Gong Lijin and Ms. Huang Jingyi had abstained from voting on the Board resolution approving the SPA, the Lease Agreement and the Framework Agreement (including the Proposed Annual Caps). Save as the aforesaid, none of the Directors has any material interest in the SPA, the Lease Agreement and the Framework Agreement and was required to abstain from voting on the Board resolutions in relation to the SPA, the Lease Agreement and the Framework Agreement.

F. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Ballas Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the SPA, the Lease Agreement and the respective transactions contemplated thereunder.

G. EGM

An EGM will be convened for the Independent Shareholders to consider and, if thought fit, to approve the SPA, the Lease Agreement, and the respective transactions contemplated thereunder.

As at the date of this announcement, Mr. Jin is the controlling Shareholder of the Company and beneficially interested in 793,125,000 Shares (representing approximately 53.91% of the total issued share capital of the Company). Accordingly, Mr. Jin and his associates will abstain from voting at the EGM on the resolution in relation to the SPA, the Lease Agreement, the Framework Agreement (together with the Proposed Annual Caps) and the respective transactions contemplated thereunder.

H. GENERAL

A circular containing, amongst other things, (i) further information on the Disposal and the Lease Agreement; (ii) a letter from the Independent Board Committee in respect of the Disposal and the Lease Agreement; (iii) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Disposal and the Lease Agreement; (iv) the Valuation Report of Bonny HK; (v) the Property Valuation Report; and (vi) a notice convening the EGM, will be sent to the Shareholders by the Company. The Company expects that the circular will be despatched on or before 27 April 2026 in order to allow sufficient time to prepare the necessary information for inclusion in the circular.

I. DEFINITIONS

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

"Beiyuan Production Site"	the production base of the Group located at Beiyuan Street, Yiwu, Zhejiang Province, the PRC
"Board"	the board of directors of the Company
"Bonny HK"	Hongkong Bonny Limited (香港博尼有限公司), a company incorporated in Hong Kong with limited liability
"Bonny HK Group"	Bonny HK and its subsidiaries

"Business Day(s)"	means a day (other than a Saturday or Sunday) on which banks in Hong Kong and the People's Republic of China are open for ordinary banking business
"Company"	Bonny International Holding Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"Completion"	completion of the Disposal
"Completion Date"	the date on which Completion takes place
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares
"EGM"	an extraordinary general meeting (or an adjournment thereof) of the Company to be convened to consider and, if think fit, approve, among other things, the SPA and the Lease Agreement and the respective transactions contemplated thereunder
"First Post-Completion Payment"	as defined in the paragraphs headed "B. The Disposal — Principal terms of the SPA"
"First Promissory Note"	the Promissory Note issued by the Purchaser in relation to the First Post-Completion Payment
"Framework Agreement"	the framework agreement to be entered into between the Company and Bonny HK in relation to the provision of manufacturing services to the Bonny HK Group for the Brand Products Business
"Group"	the Company and its subsidiaries
"HKFRS"	Hong Kong Financial Reporting Standards
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Board Committee"	the independent committee of the Board comprising all of the independent non-executive Directors, established to advise the Independent Shareholders in respect of the SPA and the Lease Agreement
"Independent Financial Adviser"	Ballas Capital Limited, a corporation licensed to carry out Type 1 (dealing in secunities) and Type 6 (advising on corporate finance) regulated activities under the SFO
"Independent Shareholder(s)"	the Shareholder(s) who do not have material interest in the transactions contemplated under the SPA and the Lease Agreement
"Independent Third Party"	a third party independent of the Company and connected persons of the Company
"Lease Agreement"	the lease agreement to be entered into between Zhejiang Bonny and Yiwu Bonny in relation to the leasing of the Leased Area
"Leased Area"	7th Floor of Block 1, 1-5th Floor of Block 3, 2-4th Floor of Block 4 and Dormitory Building of the Property
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Manufacturing Service Transactions"	the provision of manufacturing services for the Brand Products Business by the Group to the Bonny HK Group under the Framework Agreement
"Mr. Jin"	Mr. Jin Guojun (金國軍), chairman, an executive Director and a controlling Shareholder of the Company
"Mr. Jin Bo"	Mr. Jin Bo (金博), son of Mr. Jin
"PRC"	the People's Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Promissory Note(s)"	collectively, the First Promissory Note and the Second Promissory Note

"Property"	the land and building located at 129 Yuchunhan Road, Beiyuan Street, Yiwu City, Zhejiang Province, the PRC (中國浙江省義烏市北苑街道于春晗路129號) which is owned by Zhejiang Bonny
"Property Valuation Report"	the report issued by the Valuer in relation to the valuation of the market value of the Property as at 31 January 2026
"Proposed Annual Caps"	the proposed annual caps of RMB8.5 million, RMB8.5 million and RMB8.5 million for the three years ending 31 December 2028 respectively
"Purchaser"	Hong Kong Bo De Trade Co., Limited (香港柏德貿易有限公司), a company incorporated in Hong Kong with limited liability and wholly owned by Newpoly Holding Corporation, which is wholly-owned by Mr. Jin Bo
"Purchaser Group"	the Purchaser and its subsidiaries
"RMB"	Renminbi yuan, the lawful currency of the PRC
"Sale Shares"	10,000 ordinary shares in Bonny HK, being the entire issued share capital of Bonny HK
"Second Post-Completion Payment"	as defined in the paragraph headed "B. The Disposal — Principal terms of the SPA"
"Second Promissory Note"	the Promissory Note issued by the Purchaser in relation to the Second Post-Completion Payment
"Share(s)"	ordinary share(s) in the issued share capital of the Company
"Shareholders"	shareholders of the Company
"SPA"	the share purchase agreement dated 10 April 2026 entered into between the Company, the Purchaser and Mr. Jin in relation to the Disposal
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Transactions"	the transactions contemplated under the SPA, the Lease Agreement and the Framework Agreement
"Transaction Documents"	the SPA, the Promissory Notes, the Share Charge, the Lease Agreement and the Framework Agreement
"Valuer"	King Kee Appraisal and Advisory Limited
"Valuation"	the independent valuation of 100% equity interest in Bonny HK as at the Valuation Date by the Valuer
"Valuation Report"	the report issued by the Valuer for the Valuation
"Valuation Date"	31 October 2025
"Yiwu Bonny"	Yiwu Bonny Fashion Co., Ltd. (義烏博尼時尚服飾有限公司), formerly known as Jiangxi Bonny Fashion Holding Group Co., Ltd. (江西博尼時尚控股集團有限公司), a limited liability company established in the PRC, an indirect wholly owned subsidiary of the Company upon Completion
"Zhejiang Bonny"	Zhejiang Bonny Fashion Holding Group Co., Ltd. (浙江博尼時尚控股集團有限公司), a limited liability company established in the PRC, a wholly owned subsidiary of Bonny HK
"%"	per cent.

By order of the Board
Bonny International Holding Limited
JIN Guojun
Chairman

Hong Kong, 10 April 2026

As at the date of this announcement, the Board comprises Mr. Jin Guojun and Mr. Zhao Hui as executive Directors; Ms. Gong Lijin and Ms. Huang Jingyi as non-executive Directors; and Mr. Chan Yin Tsung, Mr. Chow Chi Hang Tony and Dr. Wei Zhongzhe as independent non-executive Directors.

* *For identification purpose only*