THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealers or other registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Bonny International Holding Limited**, you should hand this circular at once to the purchaser(s) or transferee(s) or to the bank, licensed securities dealers or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

bonny 博尼

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; AND (3) NOTICE OF EGM

Financial adviser to the Company

Innovax Capital

Independent Financial Adviser to the Independent Board Committee

BALLAS CAPITAL

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

A letter from the Board is set out from pages 5 to 26 of this circular.

A notice convening the EGM to be held at No. 129, Chunhan Road, Beiyuan Street, Yiwu City, Zhejiang Province, PRC at 2.p.m., on Tuesday, 26 May 2026 or any adjournment is set out from pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed.

Whether or not you are able to attend the EGM, you are requested to complete and return the proxy form accompanying this circular in accordance with the instructions printed thereon appointing the chairman of the EGM as your proxy, to the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not later than forty-eight (48) hours before the time of the EGM (or at any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM, or any adjournment thereof, should you so wish and in such event, the form of proxy shall be deemed to be revoked.

8 May 2026

CONTENT

In this circular, unless the context otherwise requires, the following terms have the meanings set out below:

"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"	the 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;
"China" or "PRC"	the People's Republic of China, but for the purpose of this circular only, excluding Hong Kong, Macau and Taiwan;
"Company"	Bonny International Holding Limited, a company incorporated in the Cayman Islands with limited liabilities, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 1906);
"Completion"	completion of the Disposal;
"Completion Date"	the date on which Completion takes place;
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules;
"Director(s)"	the director(s) of the Company;
"Disposal"	the disposal of the Sale Shares;
"EGM"	an extraordinary general meeting of the Company to be held on Tuesday, 26 May 2026 at 2 p.m. for the Shareholders 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;
"Group"	the Company and its subsidiaries;
"Hong Kong"	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 securities) 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(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owners, to the best of the Directors knowledge, information and belief, having made all reasonable enquiry, which are third parties independent of and not connected with the Company and its connected persons in accordance with the Listing Rules;
"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;
"Latest Practicable Date"	4 May 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"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;
"Promissory Note(s)"	collectively, the First Promissory Note and the Second Promissory Note;
"Property"	the land and building located at No. 129, Chunhan Road, Beiyuan Street, Yiwu City, Zhejiang Province, the PRC (中國浙江省義烏市北苑街道春晗路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 28 February 2026;

"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;
"Remaining Group"	the Group (excluding the Bonny HK Group) on the assumption that completion of the Disposal had taken place;
"RMB"	Renminbi, the lawful currency of China;
"Sale Shares"	10,000 ordinary shares in Bonny HK, being the entire issued shares in 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;
"Shareholder(s)"	holder(s) of the Share(s);
"Share(s)"	share(s) of US$0.01 each in the share capital 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;
"sq. m"	square meter;
"Transactions"	the transactions contemplated under the SPA and the Lease Agreement;
"Transaction Documents"	the SPA and the Lease 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.

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)

Executive Directors:
Mr. Jin Guojun *(Chairman)*
Mr. Zhao Hui

Non-executive Directors:
Ms. Gong Lijin
Ms. Huang Jingyi

Independent non-executive Directors:
Mr. Chan Yin Tsung
Mr. Chow Chi Hang Tony
Dr. Wei Zhongzhe

Registered office:
4th Floor
Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Principal place of business in the PRC:
No. 129, Chunhan Road
Beiyuan Street, Yiwu City
Zhejiang Province
PRC

Principal place of business in Hong Kong:
27th Floor
157 Johnston Road
Wanchai
Hong Kong

8 May 2026

Dear Shareholders,

(1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION — DISPOSAL OF A SUBSIDIARY; (2) POST-COMPLETION DISCLOSEABLE AND CONNECTED TRANSACTION; AND (3) NOTICE OF EGM

INTRODUCTION

Reference is made to the announcement of the Company dated 10 April 2026 in relation to the Disposal and the Lease Agreement.

The purpose of this circular is to provide you with, among other things, (i) further information in relation to the Disposal and the Lease Agreement; (ii) the Valuation Report of Bonny HK; (iii) the Property Valuation Report; and (iv) other information as required by the Listing Rules.

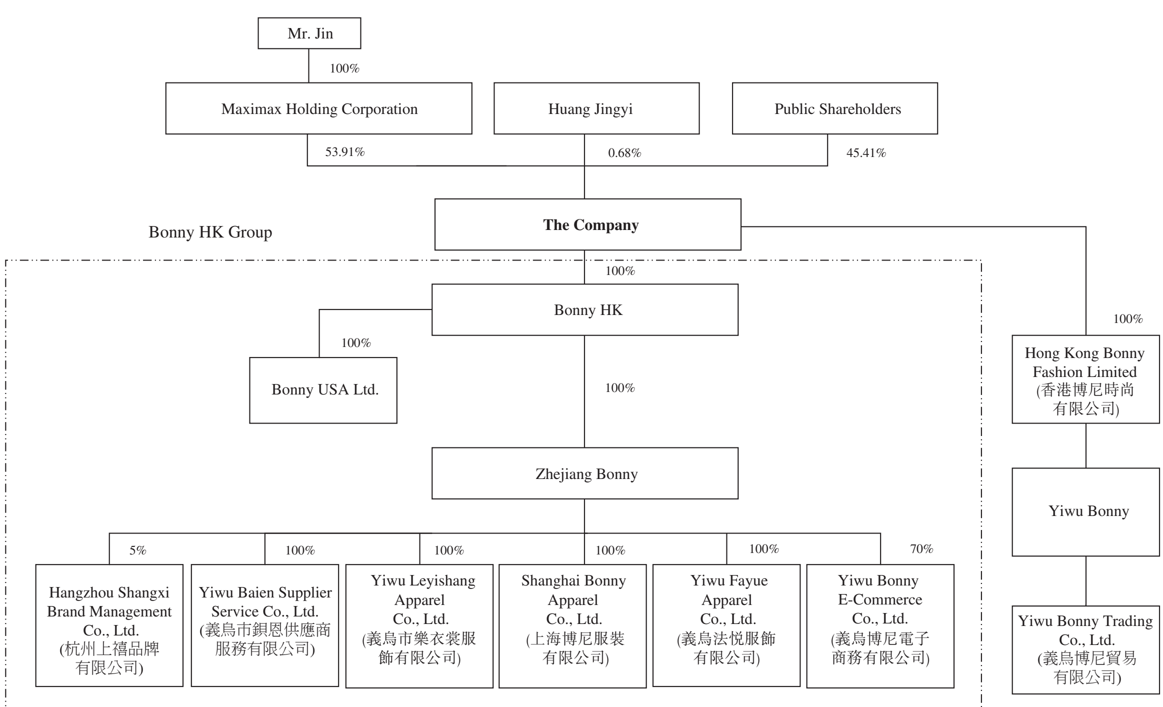
A. BACKGROUND

As disclosed in the annual report of the Company for the year ended 31 December 2025, 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 Latest Practicable Date, 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 Latest Practicable Date 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 Latest Practicable Date.

Information of Bonny HK

Bonny HK is a limited liability company incorporated in Hong Kong and, as at the Latest Practicable Date, 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 Latest Practicable Date, 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 Latest Practicable Date, 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 combined financial information of the Bonny HK Group, the Bonny HK Group recorded a net liabilities of RMB169.0 million*(Note)* as at 31 December 2025. After adjusting for (i) the capitalization of advances of RMB377.5 million*(Note)* 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.

Note: The net liabilities of the Bonny HK Group and the amount of advances to be capitalized, as disclosed above, differ from the unaudited figures previously disclosed in the Company's announcement dated 10 April 2026. The figures in this circular have been revised and are extracted from the financial information of the Bonny HK Group for the year ended 31 December 2025 which has been reviewed by the Company's auditor in accordance with HKSRE 2410 *Review of Interim Financial information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. Shareholders and potential investors are reminded to refer to the latest financial information of the Bonny HK Group in this circular.

The unaudited combined 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 (current)	318,981	386,759	377,465*(Note)*

Note:

The amounts due from the Bonny HK Group to the Company, totalling approximately RMB377.5 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 and the reclassification of the exchange differences relating to the Bonny HK Group recorded in other comprehensive income to profit or loss. The amount to be reclassified will reflect the cumulative foreign currency translation differences up to the date of Disposal and may therefore be affected by exchange rate movements up to the Completion Date.

For the year ended 31 December 2025, the Group recorded an audited consolidated loss and consolidated loss attributable to owners of the Company of approximately RMB56.8 million and RMB56.8 million, respectively. Based on the "Unaudited Pro Forma Financial Information of the Remaining Group" as set out in Appendix III to this circular, assuming that the completion of the Disposal had taken place on 1 January 2025, the unaudited pro forma consolidated loss and consolidated loss attributable to owners of the Remaining Group for the year ended 31 December 2025 would have been approximately RMB45.0 million and RMB45.0 million, respectively, reflecting the removal of the loss-making Brand Products Business of the Bonny HK Group from the Group's consolidated results.

Following the completion of the Disposal, the assets and liabilities of the Bonny HK Group will no longer be consolidated into the consolidated financial statements of the Group. According to the audited consolidated financial statements of the Company for the year ended 31 December 2025, the audited consolidated total assets and total liabilities of the Group as at 31 December 2025 were approximately RMB623.0 million and RMB325.0 million, respectively. Based on the "Unaudited Pro Forma Financial Information of the Remaining Group" as set out in Appendix III to this circular, assuming that the completion of the Disposal had taken place on 31 December 2025, the unaudited pro forma consolidated total assets and total liabilities of the Remaining Group as at 31 December 2025 would have been approximately RMB366.9 million and RMB52.0 million, respectively, representing a substantial reduction in leverage and a strengthening of the balance sheet of the Remaining Group.

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 Latest Practicable Date, 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.

Based on the Valuation Report, the appraised equity value of the Brand Products Business of Bonny HK as at 31 October 2025 is approximately RMB241,700,000. For details of the Valuation, please refer to the Valuation Report in Appendix V to this circular.

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 Target Group. In assessing the fairness and reasonableness of the Valuation, the Directors have:

  - obtained and reviewed the mandate of the Valuer and the scope of work, and assessed the independence, qualifications, experience and track record of the Valuer, including its prior experience in undertaking valuations of similar transactions in Hong Kong. The Directors have also considered the Valuer's professional credentials, licensing status and resources, and have discussed with the Valuer its relevant past engagements and team composition for this engagement. The Directors are satisfied that the Valuer has the requisite expertise, experience and capability to conduct the Valuation in a competent and objective manner;

  - reviewed and discussed in detail with the Valuer the selection of valuation methodologies among various approaches, including the market approach, income approach and the cost approach, and the applicability of each approach in the context of the Target Group. The

Directors understand that the market approach is commonly adopted for similar transactions and is considered the most appropriate for the valuation of the Target Group given the availability of relevant market comparables and the intangible value of the Bonny HK Group;

- independently reviewed and assessed the comparables selected by the Valuer, in particular the comparable transactions adopted under the market approach, and have discussed with the Valuer the selection criteria and relevance of such transactions, and are satisfied that the Valuer's adoption of comparable transactions as the primary reference for the market approach is appropriate and reasonable in the circumstances;

- evaluated the key assumptions underlying the valuation, including the selection criteria for comparables, adjustments made and the rationale for applying relevant valuation multiples and are satisfied that the assumptions adopted are fair and reasonable and consistent with market practice; and

- reviewed the valuation report in its entirety and confirmed with the Valuer that the Valuation has been prepared in accordance with generally accepted valuation standards;

- engaged Innovax Capital Limited as the financial adviser to the Company, which has independently assessed and performed reasonableness checks on the assumptions, qualifications, and methodologies of the Valuation, and discussed in detail with Innovax Capital Limited on their findings on the assessment.

- 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 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 with the worsening of segment loss from the Brand Products Business from RMB1.8 million in 2018 to RMB12.6 million in 2025; (ii) the decreasing segment revenue derived from the Brand Products Business for the previous financial years from RMB90.2 million in 2018 to RMB33.4 million in 2025; (iii) the net asset values of RMB223.7 million of the Bonny HK Group as at 31 December 2025; (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 RMB90.2 million in 2018 to RMB41.2 million in 2022 and further decreased to RMB33.4 million in 2025, while the segment loss worsened significantly from RMB1.8 million in 2018 to RMB27.2 million in 2022 during the COVID-19 pandemic, and although it has improved since as the impact of the COVID-19 pandemic has largely subsided in 2023, the segment remained loss-making reporting a segment loss of RMB12.6 million in 2025, nearly three years after the pandemic.

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 from 198 stores as at 31 December 2018 to 113 stores as at 31 December 2022 and further decreased to 109 stores as at 31 December 2025. 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. The ODM Business has demonstrated resilience across multiple external shocks, including the COVID-19 pandemic and periods of heightened international trade tensions. It recorded segment profits of approximately RMB87.3 million in 2018, which declined to RMB17.0 million in 2022 during the height of the COVID-19 pandemic and associated global supply chain disruptions.

Following the easing of pandemic-related restrictions and the recovery of international trade activities, the segment profits of the ODM Business rebounded to RMB27.2 million in 2023 and further improved to RMB55.8 million in 2024. However, segment profit declined again to RMB39.4 million in 2025, reflecting renewed pressure arising from intensified trade tensions and related external uncertainties.

Despite such volatility, the ODM Business recorded segment profits from 2018 to 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 is 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

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. IMPLICATIONS UNDER THE LISTING RULES

The SPA

As at the Latest Practicable Date, 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.

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 and the Lease Agreement. Save as the aforesaid, none of the Directors has any material interest in the SPA and the Lease Agreement and was required to abstain from voting on the Board resolutions in relation to the SPA and the Lease Agreement.

E. EGM

A notice convening the EGM to be held at No. 129, Chunhan Road, Beiyuan Street, Yiwu City, Zhejiang Province, PRC on Tuesday, 26 May 2026 at 2 p.m. is set out from pages EGM-1 to EGM-2 of this circular. Ordinary resolution(s) will be proposed at the EGM for the Independent Shareholders to approve the SPA and the Lease Agreement and the respective transactions contemplated thereunder, which will be voted by way of poll and the results of the EGM will be published after the EGM.

As at the Latest Practicable Date, 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 resolutions in relation to the SPA and the Lease Agreement and the respective transactions contemplated thereunder.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible, but in any event not less than 48 hours before the time of the EGM or any adjournment thereof, as the case may be. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meetings (as the case may be) should you so wish. In such event, the instrument appointing a proxy shall be deemed revoked.

The register of members of the Company will be closed from 20 May 2026 to 26 May 2026, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for the right to attend and vote at the EGM, all relevant share certificates and properly completed transfer forms must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by not later than 4:30 p.m. on Tuesday, 19 May 2026.

Shareholders and potential investors of the Company should note that Completion is conditional upon the fulfilment or waiver (as the case may be) of the Conditions and therefore, may or may not take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

F. RECOMMENDATION

The Board is of the view that the terms of the SPA and the Lease Agreement have been negotiated on an arm's length basis, on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM. Before deciding how to vote on the resolutions at the EGM, you are advised to read (i) the letter from the Independent Board Committee from pages 27 to 28 of this circular; and (ii) the letter from the Independent Financial Adviser from pages 29 to 49 of this circular which contains its advice to the Independent Board Committee and Independent Shareholders in relation to the SPA, the Lease Agreement and the transactions contemplated thereunder as well as the principal factors and reasons considered by it in arriving its opinions.

G. FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

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

* *For identification purpose only*

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; AND (2) POST-COMPLETION DISCLOSEABLE AND CONNECTED TRANSACTION

8 May 2026

To the Independent Shareholders

Dear Sir or Madam,

We refer to the circular issued by the Company to the Shareholders dated 8 May 2026 (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to advise you as to whether the SPA, the Lease Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and its Shareholders as a whole.

Ballas Capital Limited has been appointed as the Independent Financial Adviser to provide advice and recommendation to the Independent Board Committee and the Independent Shareholders in respect thereof. We wish to draw your attention to the "Letter from the Board" and the "Letter from the Independent Financial Adviser" set out in the Circular, as well as the additional information set out in the appendices to the Circular.

Having considered the SPA, the Lease Agreement and the transactions contemplated thereunder, the principal factors and reasons considered by, and the advice of, the Independent Financial Adviser set out in its letter of advice, we consider that the terms of the SPA, the Lease Agreement and the transactions contemplated thereunder are fair and reasonable so far as the Independent Shareholders are concerned, and although the SPA is not entered into in the ordinary and usual course of business of the Group, the Lease Agreement is entered into in the ordinary and usual course of business of the Group, and the SPA and the Lease Agreement are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolutions approving the SPA, the Lease Agreement and the transactions contemplated thereunder at the EGM.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Bonny International Holding Limited

Mr. Chan Yin Tsung **Mr. Chow Chi Hang Tony** **Dr. Wei Zhongzhe**
Independent non-executive Directors

The following is the full text of the letter of advice from Ballas Capital Limited to the Independent Board Committee and the Independent Shareholders which has been prepared for the purpose of inclusion in this circular.

Room 1005
Jubilee Centre
46 Gloucester Road,
Wanchai, Hong Kong

8 May 2026

To the Independent Board Committee and
the Independent Shareholders

Dear Sir or Madam,

(1) VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION — DISPOSAL OF A SUBSIDIARY; AND (2) POST-COMPLETION DISCLOSEABLE AND CONNECTED TRANSACTION

INTRODUCTION

We refer to our engagement (the "**Engagement**") as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the lease transactions under the Lease Agreement ("**Lease Transactions**"), particulars of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company to the Shareholders dated 8 May 2026 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

As set out in the Letter from the Board, on 10 April 2026, the Company announced, among other things, (i) the Company entered into the SPA with the Purchaser and Mr. Jin as the guarantor in relation to the sale and purchase of the entire issued capital of Bonny HK at a total consideration of RMB241,700,000 (the "**Consideration**"). Upon Completion, Bonny HK will cease to be a subsidiary of the Company; and (ii) As the factory where the Group conducts its ODM Business is located at the Property which is owned by Zhejiang Bonny, Yiwu Bonny (as tenant), a subsidiary of the Company, will enter into the Lease Agreement with Zhejiang Bonny (as landlord) 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.

As at the Latest Practicable Date, 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.

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.

The Independent Board Committee, comprising all the independent non-executive Directors, namely Mr. Chan Yin Tsung, Mr. Chow Chi Hang Tony and Dr. Wei Zhongzhe, has been established to provide recommendations to the Independent Shareholders in connection with the SPA and the Lease Agreement.

INDEPENDENCE DECLARATION

We are not associated or connected with the Company, the Purchaser, its respective core connected persons or associates. During the past two years immediately preceding and up to the date of our appointment as the independent financial adviser for the Disposal and the Lease Transactions, save for the Engagement, we did not have any relationship with or interests in the Company, the Purchaser, its respective core connected persons or associates that could be reasonably regarded as a hindrance to Ballas Capital Limited's independence as defined under the Listing Rules to act as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the Lease Transactions. Accordingly, we consider we are eligible to give independent advice on the Disposal and the Lease Transactions.

BASIS OF OUR OPINION

In formulating our recommendation, we have relied on the information and facts contained or referred to in the Circular as well as the representations made or provided by the Directors and the senior management of the Company.

The Directors have declared in the Circular that they collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and that there are no other matters the omission of which would make any statement in the Circular misleading. We have also assumed that the information and the representations made by the Directors as contained or referred to in the Circular were true and accurate at the time they were made and continue to be so up to the date of the EGM. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the senior management of the Company. We have also been advised by the Directors and believe that no material facts have been omitted from the Circular.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our recommendation. We have not, however, conducted an independent verification of the information nor have we conducted any form of in-depth investigation into the businesses and affairs or the prospects of the Company, or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice to the Independent Board Committee and the Independent Shareholders in respect of the Disposal and the Lease Transactions, we have considered the following principal factors and reasons:

A. Information on the Group

The Company is principally engaged in the manufacture and sale of brassieres, functional sportswear, panties and thermal underwear in the PRC. The Group's operations are organised into two primary reportable segments: (i) the ODM Business, which provides one-stop intimate wear manufacturing solutions for domestic and overseas customers; and (ii) the Brand Products Business, which involves the sale of traditional intimate wear under the 'Bonny' and 'U+Bonny' brands through a retail network in the PRC.

Set out below is a summary of the audited consolidated financial performance of the Group for the years ended 31 December 2023 ("**FY2023**"), 2024 ("**FY2024**") and 2025 ("**FY2025**") as extracted from the annual reports of the Company for FY2023 and FY2024 and the annual results announcement of the Company for FY2025.

	FY2025	**FY2024**	**FY2023**
	(Audited)	**(Audited)**	**(Audited)**
	RMB'000	*RMB'000*	*RMB'000*
Revenue	231,839	266,737	177,671
Gross Profit	67,166	78,864	41,668
Other income and gains	22,215	20,750	18,742
Selling and distribution expenses	(40,390)	(41,502)	(40,159)
Administrative expenses	(32,203)	(30,966)	(28,219)
Impairment losses on financial assets, net	(112)	(967)	(1,252)
Other expenses	(14,664)	(19,757)	(19,467)
Fair value changes in investment properties	(51,800)	(16,080)	(5,550)
Finance costs	(6,742)	(7,007)	(5,987)
Loss before tax	(56,530)	(16,665)	(40,224)
Loss attributable to owners of the parent	(56,793)	(16,731)	(45,271)

Comparison of historical results for material items

FY2024 and FY2025

For FY2025, the Group recorded total revenue of approximately RMB231.8 million compared to RMB266.7 million in FY2024, representing a decrease of approximately RMB34.9 million or 13.1%. This reflected weaker order volume in the ODM segment amid fluctuations in the domestic and international economic environment, while the Group's brand retail operations remained sluggish.

1. **ODM Business:** Revenue decreased by approximately 14.0% to RMB198.5 million (FY2024: RMB230.8 million). Segment result declined to approximately RMB39.4 million (FY2024: RMB55.8 million), but the segment remained the Group's sole profit-generating operating segment.

2. **Brand Products Business:** Revenue decreased by approximately 7.1% to RMB33.4 million (FY2024: RMB35.9 million). Although the segment loss narrowed to approximately RMB12.6 million at the segment-result level (FY2024: loss of RMB18.4 million), it remained loss-making and continued to face weak retail demand and limited competitiveness. As at 31 December 2025, the retail network had further downsized to 109 outlets.

The Group's gross profit decreased by approximately 14.8% to RMB67.2 million in FY2025 (FY2024: RMB78.9 million). The gross profit margin remained broadly stable at approximately 29.0% (FY2024: approximately 29.6%). However, the Group recorded a substantially larger fair value loss on investment properties of approximately RMB51.8 million in FY2025 (FY2024: RMB16.1 million). As a result, the Group's loss attributable to owners of the parent widened significantly to approximately RMB56.8 million in FY2025 from approximately RMB16.7 million in FY2024.

Financial position of the Group

Set out below is a summary of the financial position of the Group as at 31 December 2025 as extracted from the annual results announcement of the Company for FY2025.

	As at 31 December 2025 *RMB'000* *(audited)*
Non-current assets	479,679
Current assets	143,328
Non-current liabilities	108,007
Current liabilities	217,004
Net assets	**297,996**
Equity attributable to owners of the parent	**296,874**

As at 31 December 2025, total assets of the Group amounted to approximately RMB623.0 million, which mainly comprised (i) investment properties of approximately RMB257.2 million; and (ii) property, plant and equipment of approximately RMB190.1 million.

As at 31 December 2025, the total liabilities of the Group amounted to approximately RMB325.0 million, of which interest-bearing bank and other borrowings amounted to approximately RMB227.5 million.

We have reviewed the Group's consolidated financial position as set out the 2025 annual results announcement. We note that the Group's balance sheet has remained highly leveraged and under liquidity strain, with a substantial portion of that pressure attributable to the Bonny HK Group. As at 31 December 2025, the Bonny HK Group carried interest-bearing bank and other borrowings of approximately RMB222.9 million and remained in a net liabilities position.

As at 31 December 2025, the Group recorded total interest-bearing bank and other borrowings of approximately RMB227.5 million, while its cash and cash equivalents stood at only approximately RMB20.4 million. Consequently, the Group recorded net current liabilities of approximately RMB73.7 million as at 31 December 2025, indicating a constrained liquidity position.

The Group's current financial structure remains heavily weighted toward supporting a non-core real estate asset rather than its primary manufacturing business. The persistent need to service more than RMB220 million in borrowings, against a backdrop of declining market rents in Yiwu City and the recurring losses of the Brand Products Business, has significantly weakened the Group's financial agility.

B. Information on Bonny HK

As at the Latest Practicable Date, Bonny HK is holding the Brand Products Business and the Property. The Brand Products Business represents the sale of traditional intimate wear products under the "Bonny" and "U+Bonny" brands through the retail network in the PRC.

We have reviewed the annual reports and the annual results announcement of the Group from 2019 until 2025, and noted that the brand products segment has experienced segment losses since 2018. As stated in the Letter from the Board, 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.

Based on the unaudited combined financial information of the Bonny HK Group, the Bonny HK Group recorded a net liabilities of approximately RMB169.0 million as at 31 December 2025. After adjusting for (i) the capitalization of advances of approximately RMB377.5 million from the Group, (ii) the waiver of current accounts of approximately RMB16.3 million, 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 before taking into account any further uplift implied by the independent Property Valuation Report. The advances and current account balances arose from historical funding provided by the Company to support the operations of the Bonny HK Group. Without such capitalization and waiver, the Bonny HK Group would record net liabilities and would be required to repay the outstanding balances to the Group and the immediate holding company.

The unaudited combined financial information of the Bonny HK Group for the years ended 31 December 2023, 2024 and 2025 is extracted from Appendix II and summarised below:

	FY2025 (Unaudited) *RMB'000*	FY2024 (Unaudited) *RMB'000*	FY2023 (Unaudited) *RMB'000*
Revenue	33,367	35,899	42,687
Gross Profit	11,295	6,348	6,285
Loss for the year	(71,749)	(41,947)	(33,027)
Net liabilities	(168,964)	(106,735)	(56,234)

FY2024 vs FY2023

The Bonny HK Group's revenue declined by approximately 15.9% from RMB42.7 million in FY2023 to RMB35.9 million in FY2024. The Bonny HK Group strategically downsized its retail network by shutting down 22 loss-making outlets during the year. While the Bonny Group's gross profit remained stable at RMB6.3 million in FY2024, its net loss widened by approximately 27.0% to RMB41.9 million (FY2023: RMB33.0 million). This deteriorating performance was largely attributable to high operating overheads, including RMB30.9 million in selling and distribution expenses and RMB6.8 million in finance costs related to Property borrowings. Furthermore, the Bonny HK Group was impacted by the broader real estate downturn in Yiwu City, which resulted in significant non-cash losses from fair value write-downs on investment properties.

FY2024 vs FY2025

The Bonny HK Group's revenue declined by approximately 7.1% from RMB35.9 million in FY2024 to RMB33.4 million in FY2025. While gross profit improved markedly from approximately RMB6.3 million to RMB11.3 million, the Bonny HK Group's loss for the year widened substantially to approximately RMB71.7 million (FY2024: RMB41.9 million).

The deterioration in FY2025 was mainly attributable to the sharp increase in the fair value loss on investment properties to approximately RMB51.8 million (FY2024: RMB16.1 million), while finance costs remained high at approximately RMB6.5 million. In other words, the modest improvement in trading gross profit was more than offset by property-market weakness and the heavy financing burden attached to the Bonny HK Group.

Financial position of the Bonny HK Group

As at 31 December 2025, the Bonny HK Group's total assets amounted to approximately RMB497.8 million, while its total liabilities amounted to approximately RMB666.8 million, resulting in net liabilities of approximately RMB169.0 million. Its liquidity position was highly constrained, with net current liabilities of approximately RMB516.0 million and cash and cash equivalents of only approximately RMB1.7 million.

	As at 31 December 2025
Major Assets	
Property, plant and equipment	173,952
Investment properties	257,159
Right-of-use assets	20,554
Inventories	27,217
Trade receivables	4,670
Prepayments, other receivables and other assets	10,355
Financial assets at fair value through profit or loss	620
Cash and cash equivalents	1,677
Major Liabilities	
Trade payables	976
Other payables and accruals	30,395
Interest-bearing bank and other borrowings (current)	135,186
Due to subsidiaries (current)	16,322
Interest-bearing bank and other borrowings (non-current)	87,680
Deferred tax liabilities	18,589
Due to the immediate holding company (current)	377,465

As at 31 December 2025, the Bonny HK Group had total interest-bearing bank and other borrowings of approximately RMB222.9 million, which were secured by the Property.

The persistent requirement to service this debt, coupled with the recurring operating losses of the Brand Products Business, has significantly hindered the Group's financial viability and limited its ability to reallocate resources to the more profitable ODM segment.

C. Information on the Property

The Property is located at No. 129 Chunhan Road, Beiyuan Street, Yiwu City, Zhejiang Province, the PRC. It comprises a parcel of land with a site area of approximately 45,955.83 sq.m. and a factory complex consisting of six industrial buildings, one staff dormitory building, and three ancillary projects (including road, fire and electrical, and natural gas pipeline works).

As at the Latest Practicable Date, the Property is held by Zhejiang Bonny which is a subsidiary of Bonny HK. The Group occupies approximately one third of the Property as its factory for its ODM Business and Brand Products Business, with the remaining portions vacant or leased to Independent Third Parties.

The buildings in the Property were completed in various stages between 2016 and 2025, with an aggregate gross floor area ("**GFA**") of approximately 154,563.81 sq.m.. For valuation purposes, the Valuer has categorised the Property into Group I (Property interests held and occupied by the Group) and Group II (Property interests held for investment by the Group). For the detailed breakdown of the GFA, please refer to the Property Valuation Report as set out in Appendix VI. The land use rights of the Property have been granted for a term of 50 years for industrial use. We note that the land use rights are set to expire on 23 March 2064. As at the Latest Practicable Date, the parcel of land and the seven buildings thereon are subject to a mortgage in favor of Zhejiang Yiwu Rural Commercial Bank Co., Ltd..

As at the 28 February 2026 (the "**Property Valuation Date**"), the Group occupied approximately one-third of the Property for its core manufacturing operations, while significant remaining portions were leased to various independent third-party tenants for storage and office uses or remained vacant.

The market value of the Property, as appraised by the Valuer, is RMB459,364,000 as of the Property Valuation Date. Details of the Property Valuation is discussed below under the section "E. Principal terms of the SPA".

D. Reasons for the Disposal and the Lease Transactions

D.1 The Disposal

As stated in the Letter from the Board, the Directors attribute the Brand Products Business's persistent underperformance to chronic headwinds, including fierce domestic competition, limited scale, and low operational efficiency. Consequently, the Group has adopted a defensive strategy prioritizing cash flow preservation, exemplified by a "zero tolerance" policy regarding inefficient outlets that reduced the retail network to 109 stores by 31 December 2025. These challenges, compounded by internal resource constraints and low sales team confidence, have led the Directors to consider that the segment continues to struggle in establishing necessary competitiveness. The Brand Products Business has acted as a persistent drag on the Group's. performance. Revenue from this segment steadily declined from RMB42.7 million in 2023 to just RMB33.4 million in 2025, and it remained loss-making throughout the period, recording a segment loss of RMB12.6 million in 2025.

The combination of operational challenges and rising debt has progressively weakened the Group's solvency metrics. As at 31 December 2025, the Group recorded: (i) net current liabilities of approximately RMB73.7 million; (ii) interest-bearing bank and other borrowings of approximately RMB227.5 million; (iii) finance costs of approximately RMB6.7 million for FY2025; and (iv) cash and cash equivalents of approximately RMB20.4 million. This constrained liquidity position and financial fragility further emphasises the critical importance of the ODM segment's cash generation to service obligations and offset the continued losses of the Brand Products Business.

Furthermore, the Group's leverage profile has notably deteriorated, indicating an increased dependence on external financing. Interest-bearing bank and other borrowings rose from approximately RMB133.6 million in FY2023 to approximately RMB167.9 million in FY2024 and further to approximately RMB227.5 million as at 31 December 2025. This rising debt burden drove finance costs up from RMB6.0 million in FY2023 to RMB6.7 million in FY2025. We note that substantially all of these borrowings were associated with the Bonny HK Group, which itself had interest-bearing bank and other borrowings of approximately RMB222.9 million as at 31 December 2025. As a result of the Disposal, the substantial majority of these borrowings will be transferred out of the Group.

The Company considers it appropriate to dispose of the Brand Products Business together with the Property, notwithstanding that the Property is the only manufacturing site of the Remaining Group, after taking into account the Group's financial position, operating performance and prevailing market conditions.

The Bonny HK Group is subject to significant borrowings of approximately RMB222.9 million, resulting in substantial finance costs and a consistently high gearing level, which have placed ongoing financial pressure on the Group. Against this backdrop, reducing indebtedness and improving liquidity have become key priorities for the Group.

In addition, the Property is not fully utilised, with only about one-third of its gross floor area used for production. The remaining areas are vacant or leased to third parties. In recent years, a softened local industrial property market has resulted in declining rental income and recurring fair value losses, and property-related expenses, including finance costs, have exceeded rental income.

The Group is divesting the Property to alleviate ongoing compliance and operational pressure from increasingly stringent land-use requirements and constrained liquidity, allowing it to focus resources on the core ODM business. The leaseback is not expected to impose a material additional operating cost burden because the rent is broadly comparable to the depreciation charges that would have been recognised had the Group continued to own the Property. The Board assessed potential risks relating to lease expiry, rental adjustments and early termination, and considered these risks manageable, taking into account (i) the lease being on normal commercial 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 leasing provides the Group with greater operational flexibility to adjust its production footprint in response to market conditions.

The arrangement enables the Group to substantially reduce indebtedness secured by the Property, alleviate financial pressure and enhance liquidity, while ensuring continuity of the Group's ODM production operations. By adopting a more asset-light operating model, the Group is better positioned to mitigate market and financial risks and redeploy resources to support the sustainable development of its core ODM Business.

As disclosed in the Letter from the Board, the proceeds from the Disposal are intended to be applied toward the Group's business development and general working capital, including strengthening its supply chain, enhancing R&D and production capabilities, expanding sales channels and exploring potential acquisition opportunities. As at the Latest Practicable Date, 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.

In addition to the above factors, in evaluating the fairness and reasonableness of the Disposal, we have considered the Group's transition from an owner-operator of the Property to a tenant under the Lease Agreement. We note that while the Company will no longer enjoy the gross rental income from third-party tenants (which amounted to approximately RMB18.4 million in FY2025), we consider this a fair trade-off as the Disposal will substantially ease the financial burden of the Group. For FY2025, the Property-related assets within the Bonny HK Group were a significant source of both financial expense and accounting volatility. In FY2025, the Bonny HK Group incurred finance costs of approximately RMB6.5 million. In addition, based on the annual results announcement of the Group for FY2025, the Group incurred approximately RMB7.4 million in depreciation specifically for buildings, and recorded a substantial RMB51.8 million fair value loss on investment properties due to declining market rents in Yiwu City. While the Group received approximately RMB18.4 million in gross rental income from third-party tenants in FY2025, the aggregate of these property-related outgoings and non-cash losses (totalling approximately RMB65.7 million, excluding property, plant and equipment depreciation not related to buildings) materially exceeded the rental income generated during the same period.

Furthermore, the Disposal facilitates the immediate transfer of approximately RMB222.9 million in borrowings out of the Group, thereby fundamentally de-leveraging the balance sheet and reducing the associated interest burden. The receipt of the initial cash proceeds of approximately RMB60.4 million will also immediately strengthen the Group's working capital. Based on the unaudited pro forma financial information, the Remaining Group would move from net current liabilities of approximately RMB73.7 million to net current assets of approximately RMB108.9 million as if the Disposal had been completed on 31 December 2025. Upon Completion, the Group's historical ownership costs and exposure to future real estate market fluctuations and further fair value write-downs will be replaced by a fixed annual rental and management fee payment under the Lease Agreement of approximately RMB12.2 million, comprising annual rent of approximately RMB8.4 million and annual management fee of approximately RMB3.9 million. By eliminating a volatile net financial drag and replacing it with a fixed, market-aligned occupancy cost, we consider that sacrificing the gross rental income in exchange for substantial debt reduction, improved liquidity and greater financial flexibility is in the interests of the Company and the Shareholders as a whole.

In view of the loss-making financial position of the Bonny HK Group since 2018 and the Group's strategy to focus on the ODM business and reduce financial burden, we concur with the view of the Directors that the SPA, although not conducted in the ordinary course of the Group's business, is in the interests of the Company and its Shareholders as a whole.

D.2 The Lease Transaction

As disclosed in the Letter from the Board, to maintain its ODM Business operations, the Group will continue to utilise 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, Yiwu Bonny (as tenant) will enter into the Lease Agreement with the Zhejiang Bonny (as landlord) 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.

Given the above, in particular the nature of the Lease Transactions and the principal business of the Group as stated above and our analysis on the major terms of the Lease Agreement (as elaborated below), we concur with the view of the management of the Company that the entering into of the Lease Agreement falls within the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole.

E. PRINCIPAL TERMS OF THE SPA

On 10 April 2026, the Company entered into the SPA with the Purchaser and Mr. Jin as the guarantor in relation to the sale and purchase of the entire issued capital of Bonny HK at the Consideration of RMB241,700,000. Zhejiang Bonny, a subsidiary of Bonny HK, is holding and will continue to hold the Property immediately upon Completion. Upon Completion, Bonny HK will cease to be a subsidiary of the Company.

The total Consideration for the Disposal is RMB241,700,000 (net of tax), which shall be payable by the Purchaser in the following manner:

i. Completion Payment: 25% of the Consideration, RMB60,425,000, shall be paid in cash at Completion; and

ii. First Post-Completion Payment: 25% of the Consideration, being RMB60,425,000, shall be paid on or before the date falling 18 months from the Completion Date; and

iii. Second Post-Completion Payment: 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 Post-Completion Payments shall be evidenced by the Promissory Notes which shall be issued by the Purchaser to the Vendor at Completion. As the primary obligor, Mr. Jin irrevocably and unconditionally guarantees the Purchaser's full performance and punctual payment of all obligations under the Transaction Documents. In the event of a default by the Purchaser, Mr. Jin is committed to fulfilling or satisfying those obligations upon the Company's demand.

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	:	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 over the Sale Shares to be given by the Purchaser, as chargor, in favour of the Company, as chargee

Completion is subject to conditions precedents as set out in the Letter from the Board. 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.

E.1 Our analysis on the Consideration

As disclosed in the Letter from the Board, the Consideration 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 of approximately RMB223.7 million as at 31 December 2025; (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.

In evaluating the fairness and reasonableness of the Consideration, we note that although the market approach adopted in the Valuation Report represents an acceptable business valuation methodology, we consider the cost approach to be more appropriate in the present circumstances, as explained below. Accordingly, rather than relying on the Valuation Report, we have undertaken an independent analysis of the Bonny HK Group's value using cost approach. We have specifically taken into account the fact that the Brand Products Business has recorded persistent losses since 2018. We have discussed with the management of the Company and understand that challenges faced by the Brand Products Business is expected to persist in near term. In our view, where a business has not generated profit for such a long period with no indicators of turnaround in near term, but holds significant real estate, its value is more accurately underpinned by its underlying assets rather than its historical revenue multiples. Accordingly, we have adopted the cost approach in assessing the Bonny HK Group's value and have reviewed the Property Valuation Report and utilised its appraised market value of the Property as a key component of our assessment of the Bonny HK Group's adjusted net asset value.

Whilst we conducted our independent valuation on the Bonny HK Group's value based on cost approach, we did not rely on the Valuation Report to form our opinion, but we have performed due diligence on the Valuer, the Property Valuation Report and its fair rent opinion in relation to the Lease Transactions (the "**Fair Rent Opinion**") in arriving our opinion.

(i) Information of the Valuer

We have discussed with the Valuer as to its qualification and experiences and its relationship with the Group and the Purchaser, and have reviewed the terms of the Valuer's engagement in relation to the Property Valuation Report and the Fair Rent Opinion, in particular to its scope of work.

We noted from the engagement letter entered into between the Company and the Valuer that the scope of work was appropriate for forming the required opinion, with no limitations on the scope of work that would adversely affect the assurance provided in the Valuation Reports. The Valuer confirmed to us that, apart from normal professional fees payable in connection with its engagement for the Valuation Report, Property Valuation Report, the Fair Rent Opinion and valuation report on investment properties for audit purpose, no arrangements exist whereby the Valuer will receive any fee or benefit from the Group and its associates. We understand from the Valuer that it is an independent third party, with no connections to the Group, the Purchaser and Mr. Jin. We understand that the Valuer is certified with relevant professional qualifications required to perform the valuation described in the Valuation Reports.

(ii) Valuation methodology and assumptions on the Property Valuation

We have reviewed the Property Valuation Report as set out in Appendix VI and discussed with the Valuer the methodology and assumptions adopted in arriving at the valuation of the Property as at the Property Valuation Date. We understand from the Valuer that the Property Valuation Report was prepared in compliance with the International Valuation Standards issued by the International Valuation Standards Council.

In respect of the valuation of the Property, the Valuer has adopted the direct comparison approach by making reference to the comparable properties in the relevant locality. As disclosed in the Property Valuation Report, the Valuer have valued the property interest which are held and occupied by the Group and property interests which are held for investment by the Group by the direct comparison approach assuming sale or asking prices of the properties in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market. The Valuer considers that the use of adjusted asking prices provides a more comprehensive and contemporaneous dataset for the industrial property market in Yiwu City, particularly where data on completed transactions is less transparent than in first-tier cities. As advised by the Valuer, it considered the market approach to be the most appropriate, as it directly reflects the value indicated by market participants for comparable assets based on asking transactions of comparable properties.

(iii) Property Comparables

As stated in the Property Valuation Report, the Valuer have identified and analysed various relevant sales evidences of industrial building projects (including the land) within the vicinity of the Property. The selection criteria for these comparables were based on (i) geographical proximity to the Property; (ii) consistency in industrial usage; and (iii) the recency of the market quotations. Based on the aforesaid criteria, to the Valuer's best knowledge, there is an exhaustive list of three property comparables ("**Property Comparables**").

We have reviewed the Property Comparables and noted that they are (i) all situated in Beiyuan Street, Yiwu City, Zhejiang Province, the PRC, which is the same location as the Property; and (ii) all industrial building projects, consistent with the nature of the Property. As such, we consider the comparable selection of the Valuer to be fair and reasonable.

We also noted that the Valuer analysed the specific characteristics of the Property and the comparables — such as size, age, and renovations—and made adjustments where appropriate. If a comparable property was deemed inferior or less desirable than the Property, an upward adjustment was made to its unit price, and vice versa.

We further noted that the prices of the comparable properties were adjusted asking prices quoted in March 2026. According to the Valuer, adopting adjusted asking prices is a common and appropriate approach for valuations in third-tier cities like Yiwu City, where data on completed transactions is less transparent than in first-tier cities.

By applying the aforesaid adjustments, the Valuer derived an average adjusted price of approximately RMB2,972 per sq.m.. Given that this detailed benchmarking accounts for the Property's unique scale and superior condition, we consider the resulting Property Valuation of RMB459,364,000 to be a fair and objective basis for determining the adjusted net asset value of the Bonny HK Group attributable to the Company (the "**Adjusted NAV**") and evaluating the fairness of the Consideration.

(iv) Our assessment on the Bonny HK Group's value

In arriving at the value of the Bonny HK Group, we referred to its assets and liabilities on an item-by-item basis as set out in its unaudited combined statement of financial position. As at 31 December 2025, the book value of Bonny HK's total assets, total liabilities and net liabilities were approximately RMB497.8 million, RMB666.8 million and RMB169.0 million, respectively.

As at 31 December 2025, Bonny HK's current assets comprised (i) inventories of approximately RMB27.2 million; (ii) trade receivables of approximately RMB4.7 million; (iii) prepayments, other receivables and other assets of approximately RMB10.4 million; and (iv) cash and bank balances of approximately RMB1.7 million. Its non-current assets comprised (i) investment properties of approximately RMB257.2 million; (ii) property, plant and equipment of approximately RMB174.0 million; (iii) right-of-use assets of approximately RMB20.6 million; and (iv) advance payments for property, plant and equipment of approximately RMB1.4 million.

As at 31 December 2025, Bonny HK's current liabilities represented (i) interest-bearing bank and other borrowings of approximately RMB135.2 million; (ii) amounts due to subsidiaries of approximately RMB16.3 million; and (iii) trade and other payables and tax payable of approximately RMB31.6 million. Its non-current liabilities represented (i) amounts due to the immediate holding company of approximately RMB377.5 million; (ii) interest-bearing bank and other borrowings of approximately RMB87.7 million; and (iii) deferred tax liabilities of approximately RMB18.6 million.

We have reviewed the aforesaid items and are satisfied that their book values represent their fair value, with the exception of the Property. To reflect the actual economic position of the Bonny HK Group upon Completion, we have performed the following adjustments:

(i) The capitalization of advances: the conversion of approximately RMB377.5 million in shareholder's advances from the Company into equity;

(ii) The Waiver of current accounts: The waiver of approximately RMB16.3 million in current accounts between the Bonny HK Group and the Group; and

(iii) The Property Valuation: The incorporation of the revaluation surplus and accounting movements of approximately RMB8.0 million. This adjustment represents the difference between the Property's appraised market value of RMB459,364,000 as at the Property Valuation Date (i.e. 28 February 2026) and its corresponding book value as at 31 December 2025.

The following table sets out our summary of the adjusted net asset position of the Bonny HK Group attributable to the Company:

Item Description	**Amount** *(RMB'000)*
Net Liabilities as of 31 December 2025	(168,964)
I. Capitalization and Waiver Adjustments:	
— Add: Capitalization of advances from Company	377,465
— Add: Waiver of current accounts	16,322
Subtotal	224,823
II. Non-Controlling Interest Adjustment:	
— Less: Derecognition of non-controlling interest in the Bonny HK Group	(1,122)
adjusted net asset value attributable to the Company (before property revaluation)	223,701
III. Property Value Adjustments:	
— Add: Net accounting movement (from 1 January 2026 to 28 February 2026)	(280)
— Add: Property Revaluation Surplus	8,317
Adjusted NAV (as of 28 February 2026)	231,738

Following these adjustments, the Adjusted NAV is RMB231,738,000. We note that the Consideration of RMB241,700,000 represents a premium of approximately 4.3% over this property-adjusted fair value.

As explained above, we consider that the intrinsic value of the Bonny HK Group is more accurately underpinned by its underlying assets value rather than its historical earnings potential. Given the Consideration is aligned with the Adjusted NAV, we consider the Consideration to be fair and reasonable.

E.2 Our analysis on the payment terms of the SPA

As set out in the Letter from the Board, the payment arrangement was agreed between the Company and the Purchaser having considered the security offered by the Purchaser to secure the Promissory Notes, the Purchaser's creditworthiness and the overall commercial terms of the transaction.

In assessing the fairness of these deferred payment terms, we have considered the following factors:

1. **Alignment with borrowing costs:** As disclosed in the Letter from the Board, the 4.5% interest rate is 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. Furthermore, we note that the 4.5% interest rate was determined with reference to the historical interest rates of the Group's interest-bearing liabilities. Based on our review of the Group's financial position as at 31 December 2025, the Group's interest-bearing liabilities carried effective interest rates ranging from approximately 2.50% to 4.75% per annum. As the interest rate on the Promissory Notes falls within this range, we consider that the Company is being fairly compensated for the time value of the deferred funds at a rate comparable to its own cost of debt.

2. **Asset-backed security:** The Purchaser's obligations under the Promissory Notes are secured by the Share Charge over the entire issued share capital of Bonny HK. This provides the Company with a significant credit enhancement, as it retains a legal charge over the Sale Shares, the value of which is underpinned by the underlying assets and liabilities of the Bonny HK Group — including the underlying Property — until the consideration is fully satisfied. Based on our analysis, the total principal amount of the Promissory Notes (RMB181.3 million) represents approximately 78.2% of the Adjusted NAV (approximately RMB231.7 million), which we consider to be a reasonable coverage ratio based on the net realisable value of the Share Charge. This security is further underpinned by the fact that the underlying Property carries an appraised market value of RMB459.4 million. Even after accounting for borrowings of approximately RMB222.9 million, the residual property value of approximately RMB236.5 million alone exceeds the outstanding principal, providing a safety buffer for the Company in the event of default.

   In assessing the deferred payment arrangement, we have also taken into account legal advice obtained by the Company on the validity and enforceability in principle of the Share Charge under Hong Kong law. We have reviewed the SPA, including its appendices, which among others, include the agreed form of the Share Charge and the rights of the chargee (i.e. the Company) set out therein. The SPA provides that, to secure the obligation of the Purchaser to pay the Post-Completion Payments, the Purchaser shall charge the Sale Shares by way of a first fixed charge in favour of the Vendor upon Completion. We further note from the SPA that at Completion, the Purchaser is required to deliver the duly executed Share Charge, the Promissory Notes and transfer documentation in respect of the Sale Shares to the Vendor. In addition, the agreed form of the Share Charge provides for delivery, upon execution of the Share Charge, of the relevant share certificates, executed transfer instruments and such other documents as may be required to enable the chargee or its nominee to be registered as the owner of the Sale Shares once the charge becomes enforceable. After the charges become enforceable, the Share Charge contemplates steps to facilitate registration of the transfer of the Sale Shares, replacement of the board of the charged company with directors nominated by the chargee, appointment of a receiver, and the taking possession of, transfer or sale of the charged shares and application of the proceeds toward the secured obligations.

3. **Immediate financial relief:** While the cash inflow for 75% of the Consideration is deferred, the Group achieves immediate financial benefits upon Completion through the transfer of approximately RMB222.9 million in borrowings out of the Group. This de-leveraging effect significantly reduces the Group's immediate interest burden and financial fragility, regardless of the Promissory Note maturity dates.

Having considered the above, we are of the view that the deferred payment arrangement is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conclusion

In view of: (i) the fact that the Consideration of RMB241,700,000 represents a premium of approximately 4.3% over the Adjusted NAV; (ii) the strategic rationale for the Group to dispose of the consistently loss-making Brand Products Business and the de-leveraging effect achieved by transferring approximately RMB222.9 million in borrowings out of the Group; and (iii) the fact that the deferred payments under the Promissory Notes are compensated with an interest rate aligned with the Group's historical borrowing costs and are secured by the Share Charge over the Sale Shares, we consider that the principal terms of the SPA (including the Consideration) are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. We have reached our conclusion by balancing the aforementioned significant financial improvements against the Group's increased dependency on the Lease Agreement and the credit risk associated with the deferred consideration.

F. Principal terms of the Lease Agreement

As set out in the Letter from the Board, the Lease Agreement will be entered into simultaneously with Completion on the Completion Date by Zhejiang Bonny as landlord and Yiwu Bonny as tenant. 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 for a term of three years. 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.

Our work done

We noted that the annual unit rents payable by the Group are not uniform but are instead differentiated into four distinct categories (namely the 7/F renovated office, 1/F industrial area, 2/F to 5/F industrial area, and staff dormitories) to reflect the specific usage, floor level, and state of renovation of the various portions of the Leased Area:

1. **7/F renovated office:** This area represents fully renovated office space.

2. **1/F industrial/factory area:** Ground floor industrial space with high accessibility.

3. **2/F to 5/F industrial/factory Area:** Upper-floor industrial space.

4. **Staff dormitories:** Residential-use units for Group personnel

We have reviewed the Fair Rent Opinion issued by Valuer confirming the rent of Leased Area payable by the Group under the Lease Agreement is fair and reasonable and consistent with prevailing market rent for similar premises in similar locations (the "**Rental Comparables**"). For our due diligence on the Valuer and its scope of work, please refer to the section headed "E.1 Our analysis on the Consideration" above. We reviewed the selection criteria for the Rental Comparables and discussed the rationale for the adjustments made by the Valuer. Our findings are as follows:

1. 7/F renovated office: We noted that the Group does not currently lease out renovated office space to independent third parties, as its existing third-party leases are for "raw" properties where tenants perform their own renovations. Consequently, the Valuer identified comparable asking rents of three nearby renovated offices. To arrive at a fair market unit rate, the Valuer applied downward adjustments for the "asking" nature of the quotes and upward adjustments for location and size.

2. 1/F industrial/factory area: The Valuer primarily referenced two actual transaction prices from the Group's existing third-party tenants within the Property and supplemented these with one nearby sample. A downward adjustment for "asking" status was applied to the external samples to align them with realised transaction levels.

3. 2/F to 5/F industrial/factory area: For these upper floors, the Valuer relied on three actual transaction prices paid by the Group's current third-party factory tenants for similar upper-floor space. As these represent independent benchmarks for the same property, no adjustments were required.

4. Staff dormitories: As the Group does not lease dormitories to independent third parties, the Valuer referenced asking rents for nearby residential units. These were subject to a downward adjustment to account for the difference between asking prices and expected final transaction prices.

In addition to the annual rent of RMB8,377,581, the Group is responsible for an annual management fee of RMB3,854,312. Based on our review of the Group's lease agreements with independent third-party tenants of the Property, we note that the unit annual management fee payable by the Group under the Lease Agreement is no less favourable than those paid by independent third-party tenants of the Property.

Conclusion

Having considered that (i) the annual rent payable by the Group under the Lease Agreement is supported by the Fair Rent Opinion; and (ii) the annual management fee payable by the Group under the Lease Agreement is no less favourable than those paid by existing independent third-party tenants, we are of the view that the terms of the Lease Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

G. Financial effects

Upon Completion, Bonny HK will cease to be a subsidiary of the Company, and the financial results and position of the Bonny HK Group will no longer be consolidated into the financial statements of the Group. Based on our review of the unaudited pro forma financial information as set out in Appendix III to the Circular, we note the following anticipated financial effects:

Earnings

According to the unaudited pro forma financial information, subject to audit, the Group is expected to recognise an unaudited gain of approximately RMB18.0 million from the Disposal, which is calculated based on the Consideration of RMB241.7 million less the unaudited adjusted net asset value of the Bonny HK Group attributable to the Company (after the capitalization of advances, the waiver of current accounts and de-recognition of non-controlling interests in the Bonny HK Group but before property-related fair value adjustments) of approximately RMB223.7 million as at 31 December 2025, before professional fees and other related expenses and the reclassification of exchange differences relating to the Bonny HK Group recorded in other comprehensive income to profit or loss.

We further note that the Consideration represents a premium of approximately 4.3% over the property-adjusted Adjusted NAV of RMB231.7 million.

Net asset value

Assuming the Disposal had taken place on 31 December 2025, the Group's net assets would increase from approximately RMB298.0 million to approximately RMB314.9 million, primarily reflecting an estimated gain on the Disposal.

RECOMMENDATION

Having considered the principal factors and reasons referred to above, we are of the opinion that (i) the Disposal contemplated under the SPA, although not conducted in the ordinary course of the Group's business, is fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (ii) the transactions contemplated under the Lease Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

Accordingly, we advise the Independent Shareholders and the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the SPA and the Lease Agreement.

Yours faithfully,
For and on behalf of
Ballas Capital Limited

Alex Lau	**Cathy Leung**
Managing Director	*Director*

Note: Mr. Alex Lau of Ballas Capital Limited has been a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2003 and Ms. Cathy Leung of Ballas Capital Limited is a responsible officer of Type 6 (advising on corporate finance) regulated activities since 2019.

1. FINANCIAL INFORMATION

The financial information of the Group for each of the year ended 31 December 2023, 2024 and 2025 are disclosed in the following documents which have been published and are available on the website of the Stock Exchange at www.hkexnews.hk and the website of the Company at www.bonnychina.com:

- Annual report of the Company for the year ended 31 December 2025 published on 23 April 2026 (https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0423/2026042300988.pdf);
- Annual report of the Company for the year ended 31 December 2024 published on 29 April 2025 (https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042900853.pdf); and
- Annual report of the Company for the year ended 31 December 2023 published on 26 April 2024 (https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0426/2024042600762.pdf).

2. INDEBTEDNESS

As at the close of business on 31 March 2026, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding indebtedness as summarised below:

Borrowings

As at 31 March 2026, the Group had unaudited aggregate outstanding secured interest-bearing bank borrowings of approximately RMB277.5 million and unutilized banking facilities of RMB44.7 million, both of which were secured and guaranteed by (i) the Group's buildings; (ii) the Group's investment properties; (iii) the Group leasehold land; (iv) Mr. Jin Guojun and Ms. Gong Lijin, the chairman and his wife, up to RMB250 million and (v) Ms. Huang Jingyi, the non-executive Director up to RMB200 million.

Lease liabilities

As at 31 March 2026, the Group had unaudited lease liabilities of approximately RMB3.1 million, all of which relating to the lease arrangements of buildings.

Save as aforesaid or otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables and other payables and accruals in the ordinary course of business, as at the close of business on 31 March 2026, the Group did not have any debt securities issued and outstanding or agreed to be issued but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade payables) or acceptance credits, debentures, mortgages, charges, finance lease, hire purchases commitments, guarantees or material contingent liabilities.

Save as disclosed above, the Directors confirm that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 March 2026.

3. CONTINGENT LIABILITIES

As at the Latest Practicable Date, the Group had no significant contingent liabilities.

4. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, after taking into account the financial resources available to the Group including the internally generated funds, the current available facilities and the effects of the Disposal, and in the absence of unforeseen circumstances, the Group has sufficient working capital for its normal business for at least the next twelve months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that they were not aware of any material adverse change in the financial or trading position or prospects of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made.

6. FINANCIAL AND TRADING PROSPECT OF THE REMAINING GROUP

According to general forecasts by major international economic institutions and organizations such as the International Monetary Fund (IMF) and the OECD, global economic growth is expected to slow in 2026, with persistent uncertainty, increased protectionist measures in some countries, and imbalances in the labor supply likely to weigh on growth.

The business environment of the textile industry, in which the Group operates, is significantly influenced by developments in U.S.-China tariff policies. The imposition of higher tariffs by the United States directly undermines the price competitiveness of textile products, leading to a shift in orders away from the U.S. market. However, once tariff barriers are reduced, the comprehensive advantages of "Made in China" including shorter delivery cycles, consistent quality control, and rapid supply chain responsiveness, will be highlighted, enabling it to win back the favor of buyers more effectively than products manufactured in other countries. Although the current "tariff suspension" mechanism provides a valuable breathing space, its stability remains a core risk facing the industry, particularly in light of the uncertainty in the U.S. political and economic policies.

Looking ahead, the Group's immediate priority is to leverage the current "tariff suspension" buffer period to actively engage with U.S. clients and accelerate order confirmations and shipment processes. Additionally, the Group will continue and deepen the operational initiatives implemented in 2025:

I) actively expand into emerging markets to identify new growth opportunities and offset the impact of declining orders in the U.S. market;

II) further stabilize the backup production capacity established in Vietnam to build a supply chain system capable of flexibly responding to any tariff fluctuations;

III) optimize the product mix by increasing the proportion of high-value-added products and further strengthen market competitiveness through enhanced R&D and innovation; and

IV) in terms of internal management, the Group plans to implement more refined cost control measures to reduce unnecessary expenses.

FINANCIAL INFORMATION OF THE BONNY HK GROUP

Set out below are the combined financial information of Hongkong Bonny Limited (the "Target Company") and its subsidiaries (together, the "Bonny HK Group"), which comprises the combined statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Bonny HK Group for each of the years ended 31 December 2023, 2024 and 2025 (the "Relevant Periods"), and the combined statements of financial position of the Bonny HK Group as at 31 December 2023, 2024 and 2025 and explanatory notes (collectively referred to as the "Combined Financial Information").

The Combined Financial Information has been presented and prepared in accordance with the basis of presentation and the basis of preparation set out in notes 2.1 and 2.2 to the Combined Financial Information, respectively, and paragraph 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Combined Financial Information has been prepared solely for the purpose of inclusion in the circular to be issued by Bonny International Holding Limited (the "Company") in connection with the disposal of the entire issued shares in the Target Company by the Company.

Ernst & Young, Certified Public Accountants, the reporting accountant of the Company, was engaged to review the Combined Financial Information set out on pages II-2 to II-11 of this circular in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* and with reference to Practice Note 750 *Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal* as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountant to obtain assurance that the reporting accountant would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountant does not express an audit opinion.

Based on the review, nothing has come to the reporting accountant's attention that causes them to believe that the Combined Financial Information of the Bonny HK Group for the Relevant Periods is not prepared, in all material respects, in accordance with the basis of presentation and basis of preparation set out in notes 2.1 and 2.2 to the Combined Financial Information, respectively.

COMBINED STATEMENTS OF PROFIT OR LOSS

For the years ended 31 December 2023, 2024 and 2025

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
REVENUE	42,687	35,899	33,367
Cost of sales	(36,402)	(29,551)	(22,072)
Gross profit	6,285	6,348	11,295
Other income and gains	13,476	17,968	18,516
Selling and distribution expenses	(31,970)	(30,922)	(30,317)
Administrative expenses	(10,579)	(12,295)	(12,299)
Impairment losses on financial assets, net	(257)	(136)	(84)
Other expenses	(29)	(69)	(437)
Fair value changes in investment properties	(5,550)	(16,080)	(51,800)
Finance costs	(5,855)	(6,761)	(6,548)
LOSS BEFORE TAX	(34,479)	(41,947)	(71,674)
Income tax credit/(expense)	1,452	—	(75)
LOSS FOR THE YEAR	(33,027)	(41,947)	(71,749)
Attributable to:			
Owners of the parent	(33,088)	(41,945)	(71,748)
Non-controlling interests	61	(2)	(1)
	(33,027)	(41,947)	(71,749)

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2023, 2024 and 2025

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
LOSS FOR THE YEAR	(33,027)	(41,947)	(71,749)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Exchange differences:			
Exchange differences on translation from functional currency to presentation currency	(4,524)	(8,554)	9,520
Gains on property revaluation	79,788	—	—
Income tax effect	(11,968)	—	—
	67,820	—	—
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	63,296	(8,554)	9,520
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	63,296	(8,554)	9,520
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR	30,269	(50,501)	(62,229)
Attributable to:			
Owners of the parent	30,208	(50,499)	(62,228)
Non-controlling interests	61	(2)	(1)
	30,269	(50,501)	(62,229)

COMBINED STATEMENTS OF FINANCIAL POSITION

At 31 December 2023, 2024 and 2025

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
NON-CURRENT ASSETS			
Property, plant and equipment	180,906	173,794	173,952
Advance payments for property, plant and equipment	176	999	1,422
Investment properties	228,070	268,103	257,159
Right-of-use assets	23,001	21,640	20,554
Intangible assets	137	94	52
Equity investments designated at fair value through other comprehensive income	150	150	150
Total non-current assets	432,440	464,780	453,289
CURRENT ASSETS			
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
Total current assets	54,483	47,510	44,539
CURRENT LIABILITIES			
Trade payables	1,071	1,410	976
Other payables and accruals	40,631	40,260	30,395
Interest-bearing bank and other borrowings	88,281	107,981	135,186
Tax payable	111	106	179
Due to a related party	—	4,800	—
Due to the immediate holding company	318,981	386,759	377,465
Due to fellow subsidiaries	6,068	5,328	16,322
Total current liabilities	455,143	546,644	560,523

	As at 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
NET CURRENT LIABILITIES	(400,660)	(499,134)	(515,984)
TOTAL ASSETS LESS CURRENT LIABILITIES	31,780	(34,354)	(62,695)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	42,555	53,792	87,680
Deferred tax liabilities	18,589	18,589	18,589
Due to a related party	26,870	—	—
Total non-current liabilities	88,014	72,381	106,269
Net liabilities	(56,234)	(106,735)	(168,964)
EQUITY			
Equity attributable to owners of the parent			
Share capital	8	8	8
Reserves	(57,367)	(107,866)	(170,094)
	(57,359)	(107,858)	(170,086)
Non-controlling interests	1,125	1,123	1,122
Deficiency in assets	(56,234)	(106,735)	(168,964)

COMBINED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2023, 2024 and 2025

	Attributable to owners of the parent							
	Share capital	Capital reserve*	Exchange fluctuation reserve*	Asset revaluation reserve*#	Accumulated losses*	Total	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*
At 1 January 2023	8	(42,112)	(12,505)	37,521	(70,479)	(87,567)	1,064	(86,503)
Loss for the year	—	—	—	—	(33,088)	(33,088)	61	(33,027)
Other comprehensive income for the year:								
Exchange differences on translation from functional currency to presentation currency	—	—	(4,524)	—	—	(4,524)	—	(4,524)
Gains on property revaluation, net of tax	—	—	—	67,820	—	67,820	—	67,820
Total comprehensive income for the year	—	—	(4,524)	67,820	(33,088)	30,208	61	30,269
At 31 December 2023 and 1 January 2024	8	(42,112)	(17,029)	105,341	(103,567)	(57,359)	1,125	(56,234)
Loss for the year	—	—	—	—	(41,945)	(41,945)	(2)	(41,947)
Other comprehensive income for the year:								
Exchange differences on translation from functional currency to presentation currency	—	—	(8,554)	—	—	(8,554)	—	(8,554)
Total comprehensive loss for the year	—	—	(8,554)	—	(41,945)	(50,499)	(2)	(50,501)
At 31 December 2024 and 1 January 2025	8	(42,112)	(25,583)	105,341	(145,512)	(107,858)	1,123	(106,735)
Loss for the year	—	—	—	—	(71,748)	(71,748)	(1)	(71,749)
Other comprehensive income for the year:								
Exchange differences on translation from functional currency to presentation currency	—	—	9,520	—	—	9,520	—	9,520
Total comprehensive loss for the year	—	—	9,520	—	(71,748)	(62,228)	(1)	(62,229)
At 31 December 2025	8	(42,112)	(16,063)	105,341	(217,260)	(170,086)	1,122	(168,964)

* These reserve accounts comprise the negative combined reserves of RMB57,367,000, RMB107,866,000 and RMB170,094,000 in the combined statements of financial position as at 31 December 2023, 2024 and 2025, respectively.

The asset revaluation reserve arose from a change in use from owner-occupied properties to investment properties.

COMBINED STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023, 2024 and 2025

	Year ended 31 December		
	2023	**2024**	**2025**
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:	(34,479)	(41,947)	(71,674)
Adjustments for:			
Loss on disposal of items of property, plant and equipment	3	3	1
Finance costs	5,855	6,761	6,548
Depreciation of property, plant and equipment	9,157	7,684	7,651
Impairment of property, plant and equipment	1,002	350	—
Changes in fair value of investment properties	5,550	16,080	51,800
Depreciation of right-of-use assets	2,058	2,219	2,635
Amortisation of intangible assets	43	43	42
Write-down/(reversal of write-down) of inventories to net realisable value	486	(3,901)	(2,938)
Impairment of trade receivables, net	257	136	84
Loss on debt restructuring	—	—	511
	(10,068)	(12,572)	(5,340)
Decrease in inventories	20,447	10,074	11,986
Decrease in trade receivables	286	931	930
Increase in prepayments, other receivables and other assets	(385)	(1,370)	(6,243)
Increase/(decrease) in trade payables	10	339	(434)
Increase in other payables and accruals	9,332	1,979	(456)
Increase/(decrease) in amounts due to fellow subsidiaries	(9,524)	(740)	10,994
Increase/(decrease) in amount due to the immediate holding company	(824)	(294)	226
Cash generated from/(used in) operations	9,274	(1,653)	11,663
Income tax paid	(4)	(5)	(2)
Net cash flows from/(used in) operating activities	9,270	(1,658)	11,661

	Year ended 31 December		
	2023	2024	2025
	RMB'000	*RMB'000*	*RMB'000*
	(Unaudited)	*(Unaudited)*	*(Unaudited)*
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	(14,534)	(59,137)	(56,287)
Repayment of deposits for plant construction	5,170	—	—
Purchases of equity investments designated at fair value through other comprehensive income	(150)	—	—
Proceeds from disposal of property, plant and equipment	265	—	—
Net cash flows used in investing activities	(9,249)	(59,137)	(56,287)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans	—	286,739	174,600
Repayment of bank loans	(8,000)	(255,000)	(113,900)
Proceeds from other borrowings from a related party	54,900	63,800	51,620
Repayment of other borrowings from a related party	(39,230)	(85,870)	(56,420)
Other borrowings from the immediate holding company	—	59,518	—
Principal portion of lease payments	(1,565)	(1,913)	(1,266)
Interest paid	(5,927)	(6,759)	(8,649)
Net cash flows from financing activities	178	60,515	45,985
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	199	(280)	1,359
Cash and cash equivalents at beginning of year	399	598	318
CASH AND CASH EQUIVALENTS AT END OF YEAR	598	318	1,677
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	598	318	1,677
Cash and cash equivalents as stated in the combined statements of financial position and the combined statements of cash flows	598	318	1,677

NOTES TO COMBINED FINANCIAL INFORMATION

1. GENERAL INFORMATION

Hongkong Bonny Limited (the "Target Company") is a limited liability company incorporated in Hong Kong. Its registered address is Room 1703, Harcourt House, No. 39 Gloucester Road, Wanchai, Hong Kong. The immediate holding company of the Target Company is Bonny International Holding Limited (the "Company"), which is incorporated in the Cayman Islands with limited liability.

During the years ended 31 December 2023, 2024 and 2025 (the "Relevant Periods"), the Target Company and its subsidiaries (together, the "Bonny HK Group") are principally engaged in the brand products business (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 and providing one-stop intimate wear manufacturing solutions for the original design manufacturers (the "ODM Business") both in the PRC and overseas.

During the year ended 31 December 2025 and subsequent to the Relevant Periods, the ODM Business is gradually transferred to Hong Kong Bonny Fashion Limited, a wholly-owned subsidiary of the Company, and Yiwu Bonny Fashion Co., Ltd. and Yiwu Bonny Trading Co., Ltd, the former subsidiaries of the Target Company and became subsidiaries of Hong Kong Bonny Fashion Limited on 24 February 2026 and 25 March 2026, respectively. As a result of the above business transfer and change in the organisational structure (the "Reorganisation"), the Bonny HK Group is primarily engaged in the Brand Products Business.

The combined financial information of the Bonny HK Group for the Relevant Periods (the "Combined Financial Information") is presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2. BASIS OF PRESENTATION AND PREPARATION

2.1 BASIS OF PRESENTATION

Pursuant to the Reorganisation, the Bonny HK Group is primarily engaged in the Brand Products Business. For the purpose of this report, the combined statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Bonny HK Group for the Relevant Periods has been prepared to exclude the results and cash flows of the ODM Business from the earliest date presented. The combined statements of financial position of the Bonny HK Group as at 31 December 2023, 2024 and 2025 have been prepared to present the assets and liabilities to be retained in the Bonny HK Group, which primarily consist of the assets and liabilities of the Brand Products Business and the properties.

2.2 BASIS OF PREPARATION

The Combined Financial Information has been prepared solely for the purpose of inclusion in the circular to be issued by the Company in connection with the disposal of the entire issued shares in the Target Company (the "Disposal") in accordance with paragraph 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

The amounts included in the Combined Financial Information have been recognised and measured in accordance with the relevant accounting policies of the Company adopted in the preparation of the consolidated financial statements of the Company and its subsidiaries (the "Group") for the relevant years, which conform with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Combined Financial Information of the Bonny HK Group has been prepared under the historical cost convention, except for investment properties and equity investments which have been measured at fair value.

The Combined Financial Information of the Bonny HK Group does not contain sufficient information to constitute a complete set of financial statements as defined in HKAS 1 (Revised) *Presentation of Financial Statements* nor an interim financial report as defined in HKAS 34 *Interim Financial Reporting* as issued by the HKICPA, and that it should be read in connection with the relevant published annual consolidated financial statements of the Group.

The Target Company, as a wholly owned subsidiary of the Company, has applied section 379(3) of the Companies Ordinance to prepare company level financial statements as the Target Company's statutory financial statements. Consequently, the Combined Financial Information does not constitute the Target Company's statutory financial statements for the years ended 31 December 2023, 2024 and 2025. Information relating to the Target Company's statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

As the Target Company is a private company, it is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

The Target Company's auditor has reported on the company level financial statements for the years ended 31 December 2023 and 2024 and has yet to report on the company level financial statements for the year ended 31 December 2025. The auditor's reports on the company level financial statements for the years ended 31 December 2023 and 2024 were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis; and did not contain a statement under either sections 406(2), 407(2) or (3) of the Companies Ordinance.

As at 31 December 2025, the Bonny HK Group's net current liabilities amounted to approximately RMB515,984,000, which comprised current assets of approximately RMB44,539,000 and current liabilities of approximately RMB560,523,000. The liquidity of the Bonny HK Group is primarily dependent on its ability to maintain adequate cash inflows from operations and sufficient financing to meet its financial obligations as and when they fall due. In preparing the Combined Financial Information, the directors of the Company have considered the Bonny HK Group's liquidity and believe that adequate sources of funding are available to fulfil the Bonny HK Group's debt obligations and capital expenditure requirements.

Upon completion of the Disposal, the amounts due to fellow subsidiaries of RMB16,322,000 as at 31 December 2025 will be waived by the Company and an amount due to the immediate holding company amounting to RMB377,465,000 as at 31 December 2025 will be capitalised and converted into share capital of the Target Company through the allotment and issuance of fully paid shares to the Company. As at 31 December 2025, the Bonny HK Group had total banking facilities of RMB327,240,000, of which RMB297,240,000 with a final maturity date of 1 December 2029 and RMB30,000,000 with a final maturity date of 8 December 2028, to meet its debt obligations and capital expenditure requirements and had unutilised banking facilities of RMB100,500,000. The directors are of the opinion that, taking into account the above-mentioned factors, the Bonny HK Group will have sufficient working capital to finance its operations and meet its financial obligations as and when they fall due in the foreseeable future.

The following is the unaudited pro forma financial information of the Remaining Group as if the Disposal had been completed for the sole purpose of inclusion in this circular.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

Introduction

The following unaudited pro forma financial information of the Remaining Group which comprises the unaudited pro forma consolidated statement of financial position as at 31 December 2025 and the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2025 of the Remaining Group (the "Unaudited Pro Forma Financial Information") have been prepared by the directors of the Company (the "Directors") in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the purpose of illustrating the effect of the proposed disposal of the entire issued shares in the Target Company (the "Disposal").

The unaudited pro forma consolidated statement of financial position of the Remaining Group has been prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2025 as extracted from the published annual report of the Company for the year ended 31 December 2025 ("2025 Annual Report"), and adjusted for the pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 31 December 2025.

The unaudited proforma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group have been prepared based on the audited consolidated statement of profit or loss, the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2025 as extracted from the 2025 Annual Report, and adjusted for the pro forma adjustments described in the notes thereto, as if the Disposal had been completed on 1 January 2025.

A narrative description of the pro forma adjustments that are directly attributable to the Disposal and factually supportable, is summarised in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared by the Directors based on a number of assumptions, estimates, uncertainties and currently available information, and is prepared for illustrative purpose only. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Remaining Group had the Disposal been completed as at 31 December 2025 or at any future dates and of the financial performance or cash flows of the Remaining Group for the year ended 31 December 2025 or for any future periods had the Disposal been completed on 1 January 2025 or at any future dates.

The Unaudited Pro Forma Financial Information should be read in conjunction with the 2025 Annual Report and other financial information included elsewhere in this circular.

I. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE REMAINING GROUP

	The Group as at 31 December 2025	Pro forma adjustments			Unaudited pro forma financial information of the Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	
NON-CURRENT ASSETS					
Property, plant and equipment	190,127	(173,952)	—	—	16,175
Advance payments for property, plant and equipment	1,422	(1,422)	—	—	—
Investment properties	257,159	(257,159)	—	—	—
Right-of-use assets	29,910	(20,554)	—	—	9,356
Intangible assets	911	(52)	—	—	859
Equity investments designated at fair value through other comprehensive income	150	(150)	—	—	—
Prepayments, other receivables and other assets	—	—	—	181,275	181,275
Total non-current assets	479,679	(453,289)	—	181,275	207,665
CURRENT ASSETS					
Inventories	62,775	(27,217)	—	—	35,558
Trade receivables	40,189	(4,670)	—	—	35,519
Prepayments, other receivables and other assets	18,501	(10,355)	—	—	8,146
Due from related parties	820	—	—	—	820
Financial assets at fair value through profit or loss	620	(620)	—	—	—
Cash and cash equivalents	20,423	(1,677)	—	60,425	79,171
Total current assets	143,328	(44,539)	—	60,425	159,214
CURRENT LIABILITIES					
Trade payables	25,169	(976)	—	—	24,193
Other payables and accruals	53,269	(30,395)	—	—	22,874
Interest-bearing bank and other borrowings	138,056	(135,186)	—	—	2,870
Tax payable	510	(179)	—	—	331
Due to the immediate holding company	—	(377,465)	377,465	—	—
Due to fellow subsidiaries	—	(16,322)	16,322	—	—
Total current liabilities	217,004	(560,523)	393,787	—	50,268

	The Group as at 31 December 2025	Pro forma adjustments			Unaudited pro forma financial information of the Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 2*	*Note 3*	*Note 4*	
NET CURRENT LIABILITIES	(73,676)	515,984	(393,787)	60,425	108,946
TOTAL ASSETS LESS CURRENT LIABILITIES	406,003	62,695	(393,787)	241,700	316,611
NON-CURRENT LIABILITIES					
Interest-bearing bank and other borrowings	89,418	(87,680)	—	—	1,738
Deferred tax liabilities	18,589	(18,589)	—	—	—
Total non-current liabilities	108,007	(106,269)	—	—	1,738
Net assets	297,996	168,964	(393,787)	241,700	314,873
EQUITY					
Equity attributable to owners of the parent					
Share capital	100,114	—	—	—	100,114
Share premium	245,106	—	—	—	245,106
Other reserves	(48,346)	—	—	17,999	(30,347)
	296,874	—	—	17,999	314,873
Non-controlling interests	1,122	—	—	(1,122)	—
Total equity	297,996	—	—	16,877	314,873

II. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS OF THE REMAINING GROUP

	The Group for the year ended 31 December 2025	Pro forma adjustments			Unaudited pro forma financial information of the Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 5*	*Notes 6 & 9*	*Note 7*	
REVENUE	231,839	(33,367)	—	—	198,472
Cost of sales	(164,673)	22,072	—	—	(142,601)
Gross profit	67,166	(11,295)	—	—	55,871
Other income and gains	22,215	(18,516)	8,157	—	11,856
Selling and distribution expenses	(40,390)	30,317	—	—	(10,073)
Administrative expenses	(32,203)	12,299	—	—	(19,904)
Impairment losses on financial assets, net	(112)	84	—	—	(28)
Other expenses	(14,664)	437	(42,529)	(25,583)	(82,339)
Fair value changes in investment properties	(51,800)	51,800	—	—	—
Finance costs	(6,742)	6,548	—	—	(194)
LOSS BEFORE TAX	(56,530)	71,674	(34,372)	(25,583)	(44,811)
Income tax expense	(264)	75	—	—	(189)
LOSS FOR THE YEAR	(56,794)	71,749	(34,372)	(25,583)	(45,000)
Attributable to:					
Owners of the parent	(56,793)	71,748	(34,372)	(25,583)	(45,000)
Non-controlling interests	(1)	1	—	—	—
	(56,794)	71,749	(34,372)	(25,583)	(45,000)

III. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE REMAINING GROUP

	The Group for the year ended 31 December 2025	Pro forma adjustments			Unaudited pro forma financial information of the Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 5*	*Notes 6 & 9*	*Note 7*	
LOSS FOR THE YEAR	(56,794)	71,749	(34,372)	(25,583)	(45,000)
OTHER COMPREHENSIVE INCOME					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:					
Exchange differences:					
Exchange differences on translation from functional currency to presentation currency	8,573	(9,520)	—	—	(947)
Reclassification of exchange fluctuation reserve to profit or loss on disposal of a subsidiary	—	—	—	25,583	25,583
	8,573	(9,520)	—	25,583	24,636
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:					
Exchange differences:					
Exchange differences on translation from functional currency to presentation currency	(9,319)	—	—	—	(9,319)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	(746)	(9,520)	—	25,583	15,317
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(57,540)	62,229	(34,372)	—	(29,683)
Attributable to:					
Owners of the parent	(57,539)	62,228	(34,372)	—	(29,683)
Non-controlling interests	(1)	1	—	—	—
	(57,540)	62,229	(34,372)	—	(29,683)

IV. UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE REMAINING GROUP

	The Group for the year ended 31 December 2025	Pro forma adjustments				Unaudited pro forma financial information of the Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 5*	*Note 8*	*Notes 6 & 9*	*Note 7*	
CASH FLOWS FROM OPERATING ACTIVITIES						
Loss before tax:	(56,530)	71,674	—	(34,372)	(25,583)	(44,811)
Adjustments for:						
Loss on disposal of items of property, plant and equipment	310	(1)	—	—	—	309
Loss on the Disposal	—	—	—	42,529	—	42,529
Reclassification of exchange fluctuation reserve to profit or loss on disposal of a subsidiary	—	—	—	—	25,583	25,583
Interest income from promissory notes	—	—	—	(8,157)	—	(8,157)
Finance costs	6,742	(6,548)	—	—	—	194
Depreciation of property, plant and equipment	10,105	(7,651)	—	—	—	2,454
Changes in fair value of investment properties	51,800	(51,800)	—	—	—	—
Depreciation of right-of-use assets	4,566	(2,635)	—	—	—	1,931
Amortisation of intangible assets	175	(42)	—	—	—	133
(Reversal of write-down)/write-down of inventories to net realisable value	(1,116)	2,938	—	—	—	1,822
Impairment of trade receivables and other receivables, net	112	(84)	—	—	—	28
Loss on debt restructuring	511	(511)	—	—	—	—
Foreign exchange differences, net	(713)	—	—	—	—	(713)
	15,962	5,340	—	—	—	21,302
Decrease in inventories	29,934	(11,986)	—	—	—	17,948
Decrease in trade receivables	4,334	(930)	—	—	—	3,404
Increase in prepayments, other receivables and other assets	(8,633)	6,243	—	—	—	(2,390)
Increase in amounts due from related parties	(740)	—	—	—	—	(740)
Decrease in trade payables	(7,149)	434	—	—	—	(6,715)
Decrease in other payables and accruals	(2,525)	456	—	—	—	(2,069)

	The Group for the year ended 31 December 2025	Pro forma adjustments				Unaudited pro forma financial information of the Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 5*	*Note 8*	*Notes 6 & 9*	*Note 7*	
Changes in current accounts with the former subsidiaries	—	—	(11,220)	—	—	(11,220)
Changes in amounts due to fellow subsidiaries	—	(10,994)	10,994	—	—	—
Decrease in amounts due to related parties	(30)	—	—	—	—	(30)
Changes in amount due to the immediate holding company	—	(226)	226	—	—	—
Cash generated from operations	31,153	(11,663)	—	—	—	19,490
Income tax paid	(19)	2	—	—	—	(17)
Net cash flows from operating activities	31,134	(11,661)	—	—	—	19,473
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchases of items of property, plant and equipment	(57,081)	56,287	—	—	—	(794)
Proceeds from disposal of items of property, plant and equipment	342	—	—	—	—	342
Additions to other intangible assets	(944)	—	—	—	—	(944)
Disposal of subsidiaries	—	—	—	60,107	—	60,107
Net cash flows (used in)/from investing activities	(57,683)	56,287	—	60,107	—	58,711
CASH FLOWS FROM FINANCING ACTIVITIES						
New bank loans	174,600	(174,600)	—	—	—	—
Repayment of bank loans	(113,900)	113,900	—	—	—	—
Proceeds from other borrowings from a related party	51,620	(51,620)	—	—	—	—
Repayment of other borrowings from a related party	(56,420)	56,420	—	—	—	—
Principal portion of lease payments	(7,664)	1,266	—	—	—	(6,398)
Interest paid	(8,896)	8,649	—	—	—	(247)
Net cash flows from financing activities	39,340	(45,985)	—	—	—	(6,645)

	The Group for the year ended 31 December 2025	Pro forma adjustments				Unaudited pro forma financial information of the Remaining Group
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 1	*Note 5*	*Note 8*	*Notes 6 & 9*	*Note 7*	
NET INCREASE IN CASH AND CASH EQUIVALENTS	12,791	(1,359)	—	60,107	—	71,539
Cash and cash equivalents at beginning of year	7,667					7,667
Effect of foreign exchange rate changes, net	(35)					(35)
CASH AND CASH EQUIVALENTS AT END OF YEAR	20,423					79,171
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	20,423					79,171
Cash and cash equivalents as stated in the consolidated statement of financial position and the consolidated statement of cash flows	20,423					79,171

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

1. The financial information of the Group is extracted from the audited consolidated statement of financial position as at 31 December 2025 and the audited consolidated statement of profit or loss, the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows for the year ended 31 December 2025 as set out in the Company's 2025 Annual Report.

2. The adjustment represents the derecognition of assets and liabilities of the Bonny HK Group as recorded by the Group on consolidation level as at 31 December 2025, assuming the Disposal had taken place on 31 December 2025. The assets and liabilities of the Bonny HK Group are extracted from the unaudited combined statement of financial position of the Bonny HK Group as at 31 December 2025 as set out in Appendix II to this circular.

3. (i) Pursuant to the Share Purchase Agreement, the Group shall agree to waive the current accounts between the Bonny HK Group and the Remaining Group prior to the completion of the Disposal. The adjustment represents the waiver of current accounts as if the Disposal had been completed on 31 December 2025. Amounts due to the Remaining Group of RMB16,322,000 represented payments for the daily operations of the Bonny HK Group paid on behalf by the Remaining Group.

   (ii) Amount due to the immediate holding company of the Target Company of RMB377,465,000, representing the advances provided by the immediate holding company of the Target Company. Pursuant to the deed of capitalisation, the Target Company and the immediate holding company have agreed that all or part of the aforementioned advances shall be capitalised and converted into share capital of the Target Company through the allotment and issuance of fully paid shares to the immediate holding company of the Target Company.

4. The adjustment represents the pro forma gain on the Disposal as if it had taken place on 31 December 2025.

	RMB'000
Consideration for the Disposal (net of tax)	241,700
Less: Adjusted net assets of the Bonny HK Group as at 31 December 2025 attributable to owners of the parent [(i)]	(223,701)
Pro forma gain on the Disposal	17,999

   (i) Adjusted net assets of the Bonny HK Group as at 31 December 2025 attributable to owners of the parent is calculated as follows:

	RMB'000
Net liabilities of the Bonny HK Group as at 31 December 2025	(168,964)
Less: Intra-group transaction and capitalisation of amount due to the immediate holding company (Note 3)	393,787
Adjusted net assets of the Bonny HK Group as at 31 December 2025	224,823
Less: Derecognition of non-controlling interests in the Bonny HK Group	(1,122)
Adjusted net assets of the Bonny HK Group attributable to owners of the parent	223,701

5. The adjustment represents the exclusion of the financial performance and cash flows of the Bonny HK Group for the year ended 31 December 2025, assuming the Disposal had taken place on 1 January 2025. Without considering the financial impact on the Disposal, the Remaining Group might report a total comprehensive income of RMB4,689,000 for the year ended 31 December 2025. The financial information of the Bonny HK Group for the year ended 31 December 2025 is set out in Appendix II to this circular.

6. The adjustment represents the pro forma loss on the Disposal as if it had taken place on 1 January 2025.

	RMB'000
Consideration for the Disposal (net of tax)	241,700
Less: Adjusted net assets of the Bonny HK Group as at 1 January 2025 attributable to owners of the parent [(i)]	(284,229)
Pro forma loss on the Disposal	(42,529)

(i) Adjusted net assets of the Bonny HK Group as at 1 January 2025 attributable to owners of the parent is calculated as follows:

	RMB'000
Net liabilities of the Bonny HK Group as at 1 January 2025	(106,735)
Less: Intra-group transaction and capitalisation of amount due to the immediate holding company	392,087
Adjusted net assets of the Bonny HK Group as at 1 January 2025	285,352
Less: Derecognition of non-controlling interests in the Bonny HK Group	(1,123)
Adjusted net assets of the Bonny HK Group attributable to owners of the parent	284,229

7. The adjustment represents the reclassification of exchange fluctuation reserve arising from translation of the financial statements of the Bonny HK Group to profit or loss upon disposal, assuming the Disposal had taken place on 1 January 2025.

8. The adjustment represents the reclassification of cash flows between the Remaining Group and the Bonny HK Group, which have been eliminated in the consolidated financial statements of the Group for the year ended 31 December 2025, and would not have been eliminated if the Disposal had taken place on 1 January 2025.

9. The adjustment represents the net inflow of cash and cash equivalents in respect of the Disposal as if the Disposal had taken place on 1 January 2025:

	RMB'000
Estimated consideration for the Disposal being paid at the completion date[(i)]	60,425
Less: Cash and cash equivalents held by the Bonny HK Group as at 1 January 2025	(318)
Net inflow of cash and cash equivalents in respect of the Disposal	60,107

(i) The total consideration for the Disposal is RMB241,700,000 (net of tax), which shall be payable by the purchaser of the Target Company (the "Purchaser") in the following manner:

(a) 25% of the consideration, being RMB60,425,000, shall be paid in cash at the completion date (the "Completion Payment");

(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").

10. No adjustment has been made to reflect the transaction costs of the Disposal since the Directors considered that the amounts involved will not be significant to the pro forma gain/(loss) on the Disposal.

11. The pro forma adjustments in the unaudited pro forma financial information of the Remaining Group are not expected to have a continuing effect on the Remaining Group.

12. The consideration, pro forma gain/(loss) on the Disposal, net inflows of cash and cash equivalents in respect of the Disposal and the net amounts due to the Remaining Group of the Bonny HK Group as illustrated above are subject to change. The final consideration, carrying amounts of assets and liabilities of the Bonny HK Group, the net amounts due to the Remaining Group of the Bonny HK Group, cash and cash equivalents held by the Bonny HK Group and thus the gain on the Disposal and net inflows of cash and cash equivalents in respect of the Disposal at the completion date will likely be different from those stated in the unaudited pro forma financial information.

13. No adjustment has been made to reflect any trading results or other transaction of the Group entered into subsequent to 31 December 2025.

The following is the text of a report received from the reporting accountant of the Company, Ernst & Young, Certificated Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of the unaudited pro forma financial information of the Remaining Group.

EY 安永

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

安永會計師事務所
香港鰂魚涌英皇道 979 號
太古坊一座 27 樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Bonny International Holding Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Bonny International Holding Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2025, the unaudited pro forma consolidated statement of profit or loss, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2025, and related notes as set out in Appendix III of the circular dated 8 May 2026 (the "Circular") issued by the Company (the "Unaudited Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix III of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the effect of the proposed disposal of the entire issued shares in the Target Company (the "Disposal") on the Group's financial position as at 31 December 2025 and the Group's financial performance and cash flows for the year ended 31 December 2025 as if the Disposal had taken place at 31 December 2025 and 1 January 2025, respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2025, on which an auditor's report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* as issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* as issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 as issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Disposal on unadjusted financial information of the Group as if the Disposal had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Disposal would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the Disposal, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transactions in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong
8 May 2026

Set out below is the management discussion and analysis on the Remaining Group for the three years ended 31 December 2023, 2024 and 2025. Upon Completion of the Disposals, the Company will no longer hold any equity interest in the Disposal Group, and the Disposal Group will no longer remain as subsidiaries of the Company.

For the purpose of this circular and for illustration purpose only, the management discussion and analysis of the Remaining Group below is made with the exclusion of the Disposal Group. The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Remaining Group for the reporting years which eliminates the impact regarding profit or loss in respect of the Disposals. For further financial information of the Remaining Group, please refer to the section headed "Management Discussion and Analysis" of the Company's annual reports for the years ended 31 December 2023, 2024 and 2025.

FINANCIAL REVIEW

1. For the year ended 31 December 2025 compared to the year ended 31 December 2024

Revenue of the Remaining Group decreased from RMB230.8 million in 2024 to RMB198.5 million in 2025, primarily attributable to a decline in orders from the United States. Such decline was mainly due to the imposition of higher tariffs arising from U.S. trade policy adjustments, which adversely affected the competitiveness of Chinese enterprises in securing U.S. orders. As a result, revenue derived from the United States decreased from approximately RMB84.6 million in 2024 to approximately RMB40.4 million in 2025. Gross profit, profit before taxation and profit for the year of the Remaining Group also decreased from RMB72.5 million, RMB25.3 million and RMB25.2 million, respectively, for the year ended 31 December 2024 to RMB55.9 million, RMB15.1 million and RMB15.0 million, respectively, for the year ended 31 December 2025. Such decline was largely due to the decrease in revenue.

2. For the year ended 31 December 2024 compared to the year ended 31 December 2023

Revenue of the Remaining Group increased significantly from RMB135.0 million in 2023 to RMB230.8 million in 2024, primarily attributable to an increase in overseas orders from the USA, Germany, Canada, Britain and Australia. Such growth was driven by the strong development of the global apparel industry and the continued recovery in demand across the European and North American markets.

Gross profit increased significantly by 104.8% from RMB35.4 million in 2023 to RMB72.5 million in 2024, primarily driven by a substantial increase in overseas customer orders. While balancing its production capacity, the Remaining Group prioritised higher-margin orders, resulting in an improvement in gross profit margin from 23.5% in 2023 to 29.6% in 2024.

Profit before taxation and profit for the year of the Remaining Group turned around from the loss of RMB5.7 million in 2023 and RMB12.2 million in 2023, respectively, to profits of RMB25.3 million in 2024 and RMB25.2 million, respectively, which was largely due to the significant improvement in gross profit.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Remaining Group funds its business operations, general working capital and other capital requirements from a combination of various sources, including but not limited to internally generated financial resources, proceeds from the Disposal and external bank and other borrowings at reasonable interest rates.

As at 31 December 2025, the Remaining Group had cash and cash equivalents of approximately RMB18.7 million. The interest-bearing liabilities as at 31 December 2025 was approximately RMB4.6 million at interest rates of approximately 4.75% per annum. In terms of gearing, the Remaining Group recorded a negative gearing ratio of -3.1% as at 31 December 2025 and was in a net cash position of RMB14.1 million. As at 31 December 2025, the Remaining Group had no material contingent liabilities. The management believes that the Remaining Group has maintained adequate financial resources to fulfil its working capital requirements.

As at 31 December 2024, the Remaining Group had cash and cash equivalents of approximately RMB7.3 million. The interest-bearing liabilities as at 31 December 2024 was approximately RMB6.1 million at interest rates of approximately 4.75% per annum. In terms of gearing, the Remaining Group recorded a negative gearing ratio of -0.3% as at 31 December 2024 and was in a net cash position of RMB1.2 million. As at 31 December 2024, the Remaining Group had no material contingent liabilities. The management believes that the Remaining Group has maintained adequate financial resources to fulfil its working capital requirements.

As at 31 December 2023, the Remaining Group had cash and cash equivalents of approximately RMB3.1 million. The interest-bearing liabilities as at 31 December 2023 was approximately RMB2.8 million at interest rates of approximately 4.75% per annum. In terms of gearing, the Remaining Group recorded a negative gearing ratio of -0.09% as at 31 December 2023 and was in a net cash position of RMB0.3 million. As at 31 December 2023, the Remaining Group had no material contingent liabilities. The management believes that the Remaining Group has maintained adequate financial resources to fulfil its working capital requirements.

COMMITMENTS

As at 31 December 2023, 2024 and 2025, the Remaining Group did not have any capital commitments.

CHARGES ON ASSETS

As at 31 December 2023, 2024 and 2025, there were no charges on the Remaining Group's assets.

FOREIGN EXCHANGE EXPOSURE

The monetary assets and liabilities and business transactions of the Remaining Group are mainly carried out and conducted in Renminbi, U.S. dollars and Hong Kong dollars currency unit. In view of the stability of the exchange rate between these currencies, the Directors do not consider that the Remaining Group was significantly exposed to foreign exchange risk for the three years ended 31 December 2025. The Remaining Group manages its foreign exchange risk by performing regular reviews of the Remaining Group's net foreign exchange exposures and to mitigate the impact on exchange rate fluctuations by entering into currency hedge arrangement, if necessary. During the two years ended 31 December 2025, no forward foreign exchange or hedging contracts had been entered into by the Remaining Group. The Remaining Group will continue to evaluate the Remaining Group's foreign currency exposure and take actions as appropriate.

CONTINGENT LIABILITIES

As at 31 December 2023, 2024 and 2025, the Remaining Group did not have any significant contingent liabilities.

EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

The Remaining Group's remuneration policy is to compensate its employees based on their performance, qualifications and the Remaining Group's operational results. The total remuneration of employees includes basic salaries and performance bonus. Directors and senior management of the Remaining Group receive compensation in the form of fees, salaries, allowances, discretionary bonus, defined contribution plans and other benefits in kind with reference to those paid by comparable companies, time commitment and the performance of the Remaining Group. The Remaining Group also reimburses its Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Remaining Group or executing their functions in relation to the operations of the Remaining Group. The Remaining Group regularly reviews and determines the remuneration and compensation packages (including incentive plans) of its Directors and senior management, by reference to, among other things, market level of remuneration and compensation paid by comparable companies, the respective responsibilities of its Directors and senior management and the performance of the Remaining Group. The Company has adopted a share option scheme on 19 March 2019 as incentive or reward to the Directors, senior management and other selected participant.

During the three years ended 31 December 2025, no remuneration or compensation was paid or payable by the Remaining Group to any of the five highest paid individuals in the Remaining Group, the Directors and the chief executive officer of the Company as an inducement to join or upon joining the Remaining Group or as compensation for any loss of office. None of the Directors has waived any remuneration during the Reporting Period.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

During the three years ended 31 December 2025, the Remaining Group had no significant investment and has made no material acquisitions or disposals of subsidiaries, associates and joint ventures.

King Kee Appraisal and Advisory Limited
Rm 1502-Gl6 Easey Comm Bldg,
253-261 Hennessy Road, Hong Kong

8 May 2026

The Directors

Bonny International Holding Limited

Dear Sirs,

In accordance with your instructions, we have undertaken an investigation and analysis to express an independent opinion of 100% equity value of Hongkong Bonny Limited("Bonny HK" or the "Company") as at 31 October 2025 (the "Valuation Date"). The report which follows is dated 17 March 2026 (the "Report Date").

The purpose of this valuation is to express an independent opinion of the fair value of 100% equity value of the Company for circular reference.

Our 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".

We have conducted our valuation in accordance with International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject asset. We believe that the valuation procedures we employed provide a reasonable basis for our opinion.

Our valuation of the 100% equity interest of the Company was developed through the application of a market approach. Market method 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.

As part of our analysis, we have reviewed information prepared by the Company and relevant operational information regarding the subject business from public sources. We have relied to a considerable extent on such information in arriving at our opinion of value.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on our use of various assumptions and our consideration of various factors that are relevant to the operation of Company. We have also considered various risks and uncertainties that have potential impact on the businesses. Further, while the assumptions and consideration of such matters are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and King Kee Appraisal and Advisory Limited ("KKG").

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Company over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

The prospective financial information ("PFI") is based on judgmental estimates and assumptions made by the Company's management about circumstances and events that have not yet taken place. In performing its valuation, KKG has challenged management's assumptions, estimates, or cash flow projections with respect to the future performance of the Company, which involve matters of opinion, projection, or forecast (whether or not expressly stated). The forecast of future developments is made solely for the purposes of the valuation. We have not provided any opinion or any type of assurance about specific assumptions or components of the PFI or on the PFI as a whole. There will usually be differences between estimated and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material. We take no responsibility for the achievement of projected results, if any.

Based on the investigation and analyses outlined in the report which follows, we are of the opinion that the fair value of 100% equity value of Bonny HK as at the Valuation Date is reasonably stated as below:

Market value of 100% equity value as at Valuation Date (InCNY'000, rounded)
241,700

The following pages outline the factors considered, methodology and assumptions employed in formulating our opinions and conclusions. Any opinions are subject to the assumptions and limiting conditions contained therein.

Yours faithfully,
For and on behalf of
King Kee Appraisal and Advisory Limited
Richard Zhang
Managing Director
ASA, MRICS, CPV

REMARK:

This report has been prepared solely for the circular reference purpose of our client. The report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any their party without our prior written consent. We shall not under any circumstances whatsoever be liable to any third party except where we specifically agreed in writing to accept such liability.

This report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of values are not intended by the author, and should not be construed by the reader, to be investment advice in any manner whatsoever. The conclusion of values represents the consideration based on information furnished by the Company/engagement parties and other sources.

Introduction

This report has been prepared in accordance with instructions from you to express an independent opinion of the fair value of 100% equity value of Hongkong Bonny Limited ("Bonny HK" or the "Company") as at 31 October 2025 (the "Valuation Date"). The report which follows is dated 17 March 2026 (the "Report Date").

Purpose of Valuation

The purpose of this valuation is to express an independent opinion of the 100% equity value of Bonny HK as at Valuation Date for circular reference only.

Basis of Value

Our 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".

Basis of Opinion

We have conducted our valuation in accordance with International Valuation Standards issued by the International Valuation Standards Council. We planned and performed our valuation so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to express our opinion on the subject asset. The valuation procedures employed include the review of physical and economic condition of the subject asset, an assessment of key assumptions, estimates, and representations made by the proprietor or the operator of the subject asset. All matters we consider essential to the proper understanding of the valuation will be disclosed in the valuation report.

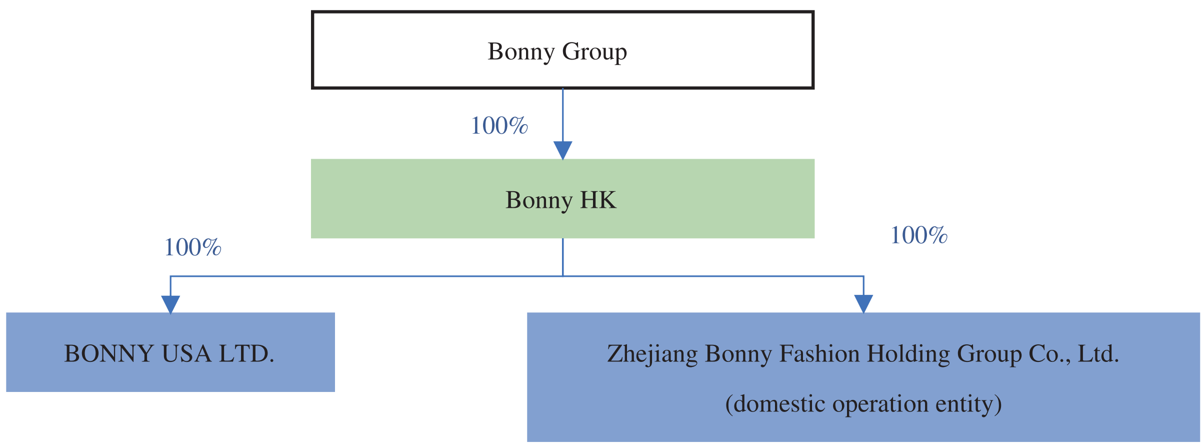
The following factors form an integral part of our basis of opinion:

- Assumptions on the market and the asset that are considered to be fair and reasonable;
- Financial performance that shows a consistent trend of the operation;
- Consideration and analysis on the micro and macro economy affecting the subject asset;
- Analysis on tactical planning, management standard and synergy of the subject asset;
- Analytical review of the subject asset; and
- Assessment of the leverage and liquidity of the subject asset.

Transaction Background

Bonny HK is 100% controlled by Bonny International Holding Limited ("Bonny Group"), which is a listed company in Hong Kong Stock Exchange with ticker SEHK:1906.

The Company's sales business has long remained unprofitable due to weakness in the domestic market. As these losses have brought negative impact to Bonny Group and limited its growth, Bonny Group planned to sell the entire equity interest in Bonny HK and its operating rights, along with the land and factory buildings, to a related party. The holding structure of Bonny HK is as follow:



Company Background

Bonny HK is mainly engaged in the sale of intimate apparel under the "Bonny" brand, which primarily consists of traditional seamed products such as thermal underwear, bras, panties, and home wear. These products are sold under the "Bonny" brand, which is positioned as a mid-to-high-end intimate apparel brand targeting the premium intimate wear market. Sales are conducted through both self-operated retail stores and franchise outlets.

Bonny HK has operated the "Bonny" brand business for nearly 20 years. At its peak, it operated more than 300 self-operated stores and counters in over 30 large and medium-sized cities across China region. However, its sales network has since experienced a continuous contraction declining to 100 self-operated retail stores and 9 franchise stores in 2025. Thus, Bonny HK failed to make profits from 2022 to the Valuation Date, with decreasing revenue in 2024 and 2025.

Sources of Information

Our valuation is based on data and information furnished by Management, which includes, but not limited to, the following;

- Background information and future business plan of the Company;
- Audited financials of the Company ended 31 December 2022, 31 December 2023 and 31 December 2024 and unaudited financials of the Company ended 31 October 2025;

- The Company's Business Projection from 2026 to 2030 as at Valuation Date; and

- Other operational and market information in relation to the Company's business.

We have also discussed and examined other operational and business information through interviews with relevant senior management. We have relied to a considerable extent on such information in arriving at our opinion of value. We assumed that the data we obtained in the course of the valuation, along with the opinions and representations provided to us by the Company, are true and accurate.

We also conducted research using various sources including government statistics and other publications to verify the reasonableness and fairness of information provided and we believe that the information is reasonable and reliable.

Methodology

To evaluate the market value of Bonny HK, we considered a sum-of-parts approach, comprising 1) market value of its brand business, which captures the value of assets and resources contributing to the generation of core operating revenue of Bonny HK brand business, and 2) its non-operating assets/liabilities related to its property, which generated rental income that was not reflected in the revenue base adopted for the valuation in brand business. Non-operating assets/liabilities included investment property held by the Company (around CNY257,601,000), deductible value-added tax related to the properties (around CNY5,845,000), and payables related to the properties (around CNY144,372,000).

In arriving at our assessed value of Bonny HK brand business, we have 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.

Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is also difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

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.

Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject asset.

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.

This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Selection of Analysis Approach and Methodology

Management has provided the detailed cash flow forecast of Company that reliably describes future business plan and operating. Based on management's best estimation, Bonny HK was expected to keep making loss in the future. Thus, we believe that the income method is not applicable for the valuation of the Company'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. Modern asset valuation, by contrast, emphasizes a forward-looking perspective that prioritizes an asset's capacity to generate future economic benefits. 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 current engagement, the cost approach is not appropriate for this assessment.

In assessing the equity value of Bonny HK, we considered both the comparable company method and the comparable transactions method under the market approach. After careful consideration, we 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, we considered that applying the comparable company method would not effectively reflect the equity value of Bonny HK.

In light of the above limitations, we 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, we considered that primary market transaction multiples provide a more reliable and relevant basis for valuation.

Notwithstanding its loss making position, we 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. We therefore considered that valuation multiples derived from comparable primary market transactions were more appropriate for reflecting these qualitative characteristics.

Major Assumptions

Assumptions considered to have significant sensitivity effects in this valuation have been evaluated in order to provide a more accurate and reasonable basis for arriving at our assessed value.

In determining the fair value of equity interest in the Company, the following key assumptions have been made:

- 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, we assume no responsibility for changes in market conditions after the Valuation Date.

Comparable transactions (CoTrans) applied in market approach

Bonny HK operates in apparel industry in China. Thus, we performed research on the transactions with public information announced in the S&P Capital IQ database that occurred in past five years.

The selected comparable targets are all apparel companies with garment manufacturing and independent brands, whose business models are comparable to Bonny HK. 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. Detailed information of the target companies in selected comparable companies was listed in Exhibit C. Major selection criteria included:

1) S&P Capital IQ industry classification: Apparel, Accessories and Luxury Goods;

2) Target companies were public and located in Asia;

3) Basic information of the transaction was public, such as consideration, implied equity value, financials of the target companies;

4) Main business of target company was similar to Bonny HK, with revenue from apparel industry took more than 70% of total revenue;

5) Transactions announced date: 1 January 2021 to 31 October 2025;

6) Transaction status: announced or closed;

7) Transaction did not lead to change of control;

8) Revenue of target companies was greater than 0, excluding transactions where valuation was relied on net asset value, EBIT or net profits.

Besides these screening criteria in the database, we performed second-round selection, excluding cases with following circumstances: 1) targets' revenue from apparel industry took less than 70% of total revenue; 2) top leaders in the industry, for example, a high density of retail stores; 3) implied multiples larger than 300% or lower than 30% of the average level of whole sample.

Since Bonny HK has been making loss as of the Valuation Date, we did not adopt the valuation multiples related to the EBIT or net profits. Thus, we applied the average P/S multiple implied by CoTrans 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 target companies before announcement of the transaction. Finally, as the equity value of Bonny HK is on a controlling, non-marketable basis, we applied certain adjustments.

Selected comparable transactions were listed as below, which form an exhaustive list based on the selection criteria. The sample comprised transactions with implied P/S multiples ranging from 1.0x to 7.1x, which we considered to reflect a reasonable and commercially justifiable spectrum for comparable transactions in the industry.

Market approach - CoTran method						
Announced Date	Target	Buyer	Equity % transferred	Implied equity value (USD million)	Target's revenue (USD million)	Implied P/S
2021/9/14	Toread Holdings Group Co., Ltd. (SZSE:300005)	Ningbo Baiyi Qianshun Management Consulting Partnership Enterprise	*5.00%*	1126.57	158.61	7.1x
2022/5/16	Barrel Co., Ltd (KOSDAQ:A267790)	The Nature Holdings Co., Ltd. (KOSDAQ:A298540)	*28.36%*	104.52	18.39	5.7x
2022/10/15	Zhejiang Bangjie Holding Group Co.,Ltd (SZSE:002634)	Shanghai Fangyuan Dachuang Investment Partnership Enterprise (Limited Partnership)	*6.00%*	500.81	94.63	5.3x
2023/7/14	Nexg Bina Berhad (KLSE:NEXGBINA)	Hong Seng Consolidated Berhad (KLSE:HONGSENG)	*32.00%*	40.86	9.6	4.3x
2023/12/30	Annil Co.,Ltd (SZSE:002875)	Zhejiang Yongxi Asset Management Company; Jinjiang Qianji Private Fund Management Co., Ltd.	*12.00%*	422.95	113.47	3.7x
2025/6/12	Jiiangsu Times Textile Technology Co.,LTD (SZSE:001234)	Guangzhou Light Industry Trade Group Co. Ltd	*30.00%*	348.51	121.32	2.9x
2023/2/8	Lancy Co., Ltd. (SZSE:002612)	-	*5.00%*	1576.97	562.3	2.8x
2023/5/16	Ribo Fashion Group Co., Ltd. (SHSE:603196)	Jingyu Asset Management (Shanghai) Co., Ltd.	*8.26%*	374.15	139.42	2.7x
2024/10/18	People's Garment Public Company Limited (SET:PG)	Saha Pathana Inter-Holding Public Company Limited (SET:SPI)	*1.26%*	25.43	23.92	1.1x
2022/9/19	Shenzhen Huijie Group Co., Ltd. (SZSE:002763)	-	*5.03%*	402.76	388.84	1.0x

Among the ten comparable transactions selected:

- Certain primary comparable transactions (including transactions No. 1, 2, 4 and 5) involved target companies that were also loss-making, presenting financial positions broadly comparable to those of Bonny HK and therefore providing relevant benchmarks for transaction pricing; and

- Transaction No. 3 involved a transaction carried out for the purpose of asset structure optimisation and specific asset divestment, which we considered comparable in nature to transaction purpose of this valuation, notwithstanding differences in corporate background.

The remaining comparable transactions were treated as secondary comparables. Although some of the tar-get companies were profitable or the transaction purposes were not publicly disclosed, we considered them relevant and included them in the analysis based on operating region, principal business activities, data availability and overall industry comparability, together with the rationale that primary market transaction multiples are more suitable for valuing companies with similar sector characteristics but divergent operating performance.

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, we 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, we considered this approach appropriate in the present circumstances for the following reasons:

1) 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;

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

3) 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.

Adjustment applied in market approach

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, we considered 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 take over 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 are liable 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.

Valuation Comments

The valuation of an interest in a business enterprise requires consideration of all relevant factors affecting the operation of the business and assets and its ability to generate future investment returns. The factors considered in the valuation includes, but not limited to, the following:

- the nature of the business and the historical performance of the enterprise;
- the financial condition of the business and the economic outlook in general;
- the operational contracts and agreements in relation to the business;
- past and projected operating results;
- the financial and business risk of the enterprise including the continuity of income and the projected future results; and
- the nature of the related agreements.

We confirm that we have carried out an inspection on the assets of the Company and we have made relevant searches, enquiries and have obtained such further information which is considered necessary for the purposes of this valuation.

In arriving at our assessed value, we have mainly considered the core business of the business. We have not made provision for other non-operating cash flow items such as interest income, exchange rate gain/loss, etc.

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and consideration of such matters are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Company and KKG.

Risk Factors

We caution readers to be aware of the following risks which we believe could influence the assessment. Such risks can range from very subject specific factors to more systematic factors.

Social, Political and Macroeconomic Considerations

Various economic, political and social phenomena surrounding the subject items may change so as to affect our opinion of value. International or nationwide policy and / or legislative changes that alter existing rights and obligations may directly or indirectly influence the Subject items. Macroeconomic circumstances including inflation, interest rate fluctuations and existing and forecast levels of growth in the broader economy may also have an effect. Societal factors encompassing the perception and preferences of people in general may swing rendering the Subject items more or less desirable and thus more or less valuable. The Company is subject to various laws and regulations governing its operations in China. Future political and legal changes in China might have either favorable or unfavorable impacts on the Company.

Environmental Conditions

Phenomena within the physical environment can severely impact the factors of production and demand factors within an economy for the counterparty. The occurrence of natural disasters, resource depletion and variations in climate conditions may influence resource availability and prices for inputs on the supply side or may influence market access and preferences for products and services associated to the counterparty from end-user demand.

Realization of forecast and projection

This valuation is premised in part on the historical financial information and projections provided by the management of the Company. We have assumed accuracy of the information provided and relied to a considerable extent on such information in arriving at our opinion of value. Although appropriate tests and analyses have been carried out to verify the reasonableness and fairness of the information provided, events and circumstances frequently do not occur as expected. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustment; the resulting investment value may differ.

Opinion of Value

Based on the investigation and analyses outlined in the report, we are of the opinion that the fair value of 100% equity value of Bonny HK as at the Valuation Date is reasonably stated as below:

Market value of 100% equity value as at Valuation Date (InCNY'000, rounded)
241,700

Limiting Conditions

This report and opinion of value are subject to our Limiting Conditions as included in Exhibit A of this report.

Yours faithfully,
For and on behalf of
King Kee Appraisal and Advisory Limited
Richard Zhang
Managing Director
ASA, MRICS, CPV

Exhibit A — Limiting Conditions

1. In the preparation of our reports, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Company/engagement parties and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. The responsibility for determining expected values rests solely with the Company/engagement parties and our reports were only used as part of the Company's/engagement parties' analysis in reaching their conclusion of value.

2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.

3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.

4. The management and the Board of the Company has reviewed and agreed on the report and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.

5. KKG shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.

6. No opinion is intended to be expressed for matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers.

7. The use of and/or the validity of the report is subject to the terms of engagement letter/proposal and the full settlement of the fees and all the expenses.

8. Our conclusions assume continuation of prudent management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the assets valued.

9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation/Reference Date. We cannot provide assurance on the

achievability of the results forecasted by the Company/engagement parties because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management

10. This report has been prepared solely for the circular reference purpose of our client. The report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any their party without our prior written consent. We shall not under any circumstances whatsoever be liable to any third party except where we specifically agreed in writing to accept such liability.

11. This report is confidential to the client and the calculation of values expressed herein is valid only for the purpose stated in the engagement letter/or proposal as of the Valuation / Reference Date. In accordance with our standard practice, we must state that this report and exercise is for the use only by the party to whom it is addressed and no responsibility is accepted with respect to any third party for the whole or any part of its contents.

12. Where a distinct and definite representation has been made to us by party/parties interested in the assets valued, we are entitled to rely on that representation without further investigation into the veracity of the representation if such investigation is beyond the scope of normal scenario analysis work.

13. You agree to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

14. We are not environmental consultants or auditors, and we take no responsibility for any actual or potential environmental liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional environmental assessment. We do not conduct or provide environmental assessments and have not performed one for the subject property.

15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Company/engagement parties. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in arriving at our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, and those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.

16. This report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the report and conclusion of values are not intended by the author, and should not be construed by the reader, to be investment advice in any manner whatsoever. The conclusion of values represents the consideration based on information furnished by the Company/engagement parties and other sources.

17. Actual transactions involving the subject assets / business might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the business, and the knowledge and motivation of the buyers and sellers at that time.

Exhibit B — Professional Declaration

The valuers certify, to the best of their knowledge and belief, that:

1. Information has been obtained from sources that are believed to be reliable. All facts which have a bearing on the value concluded have been considered by the valuers and no important facts have been intentionally disregarded.

2. The reported analyses, opinions, and conclusions are subject to the assumptions as stated in the report and based on the valuers' personal, unbiased professional analyses, opinions, and conclusions. The valuation exercise is also bounded by the limiting conditions.

3. The reported analyses, opinions, and conclusions are independent and objective.

4. The valuers have no present or prospective interest in the asset that is the subject of this report, and have no personal interest or bias with respect to the parties involved.

5. The valuers' compensation is not contingent upon the amount of the value estimate, the attainment of a stipulated result, the occurrence of a subsequent event, or the reporting of a predetermined value or direction in value that favours the cause of the client.

6. The analyses, opinions, and conclusions were developed, and this report has been prepared, in accordance with the International Valuation Standards published by the International Valuation Standards Council.

Exhibit C — Valuation Result of Company 100% Equity

Equity value of HK Bonny	
In CNY'000	
Equity value of branding business	122,600
Add: non-operating assets related to property	263,446
Less: non-operating liabilities related to property	(144,372)
Total equity value of HK Bonny	**241,700**

non-operating assets/liabilities	
In CNY'000	
Investment property	257,601
Deductible value-added tax	5,845
Non-operating assets	**263,446**
Tax payable related to property	(18,589)
Property purchase payment payable	(4,672)
Specific loan payable related to property	(121,111)
Non-operating liabilities	**(144,372)**

Market approach - CoTran method

Announced Date	**Target**	**Buyer**	**Implied equity value (USD million)**	**Target's LTM revenue (USD million)**	**Implied P/S**
2021/9/14	Toread Holdings Group Co., Ltd. (SZSE:300005)	Ningbo Baiyi Qianshun Management Consulting Partnership Enterprise (Limited Partnership)	1126.57	158.61	7.1x
2022/5/16	Barrel Co., Ltd (KOSDAQ:A267790)	The Nature Holdings Co., Ltd. (KOSDAQ:A298540)	104.52	18.39	5.7x
2022/10/15	Zhejiang Bangjie Holding Group Co.,Ltd (SZSE:002634)	Shanghai Fangyuan Dachuang Investment Partnership Enterprise (Limited Partnership)	500.81	94.63	5.3x
2023/7/14	Nexg Bina Berhad (KLSE:NEXGBINA)	Hong Seng Consolidated Berhad (KLSE:HONGSENG)	40.86	9.6	4.3x
2023/12/30	Annil Co.,Ltd (SZSE:002875)	Zhejiang Yongxi Asset Management Company; Jinjiang Qianji Private Fund Management Co., Ltd.	422.95	113.47	3.7x
2025/6/12	Jiangsu Times Textile Technology Co.,LTD (SZSE:001234)	Guangzhou Light Industry Trade Group Co. Ltd	348.51	121.32	2.9x
2023/2/8	Lancy Co., Ltd. (SZSE:002612)	-	1576.97	562.3	2.8x
2023/5/16	Ribo Fashion Group Co., Ltd. (SHSE:603196)	Jingyu Asset Management (Shanghai) Co., Ltd.	374.15	139.42	2.7x
2024/10/18	People's Garment Public Company Limited (SET:PG)	Saha Pathana Inter-Holding Public Company Limited (SET:SPI)	25.43	23.92	1.1x
2022/9/19	Shenzhen Huijie Group Co., Ltd. (SZSE:002763)	-	402.76	388.84	1.0x

Target's LTM revenue of branding business (CNY '000)		34,607
Average multiple		3.7x
Preliminary value of indicated equity value (CNY '000)		126,392
Less: marketability discount	*28.0%*	(35,390)
Add: control premium	*25.0%*	31,598
Implied 100% equity value of branding business (CNY'000) [1]		**122,600**

Target companies in comparable companies					
Company Name	**Ticker**	**Exchange**	**Main business Location**	**Market cap (USD million)**	**Business description**
Toread Holdings Group Co., Ltd.	SZSE:300005	Shenzhen Stock Exchange	China	1,146.80	Toread Holdings Group Co., Ltd. offers outdoor products, including jackets, skin clothing, down jackets, t-shirts, trousers, shoes, backpacks, tents, sleeping bags, and mountaineering equipment; and children's outdoor products and accessories under the TOREAD, TOREADKIDS, and TOREAD.X brand names.
Barrel Co., Ltd	KOSDAQ:A267790	Korean Securities Dealers Automated Quotations	South Korea	19.1	Barrel Co., Ltd provides men, women, and kids clothing products; lifestyle wear; fit tops and bottoms; yoga accessories; neoprene products; water sports tops and bottoms; kids products; bags; shoes; hats; sunglasses; and other products.
Zhejiang Bangjie Holding Group Co.,Ltd	SZSE:002634	Shenzhen Stock Exchange	China	331.3	Zhejiang Bangjie Holding Group Co.,Ltd engages in seamless garments in China and internationally. The company offers underwear, knitted, and suit series products; sports and outdoor wear comprising beach wear, sportswear, outdoor travel wear, etc.; casual wear products, including family wear, pajamas, etc.; fashion products, such as youth and urban wear, etc.
Nexg Bina Berhad	KLSE:NEXGBINA	Kuala Lumpur Stock Exchange	Malaysia	15.6	Nexg Bina Berhad manufactures undergarments under original equipment manufacturer arrangements, as well as under its own brand for direct selling and retail business. The company exports its products under the foreign OEM brands, such as Viania Dessous, George Walmart, Claire France, Breezies, Lilianne Lingerie, and LC Waikiki.
Annil Co.,Ltd	SZSE:002875	Shenzhen Stock Exchange	China	559.9	Annil Co.,Ltd, together with its subsidiaries, engages in the children clothing business in China. The company designs and sells kids' clothing and apparel under the Annil brand name.
Jiangsu Times Textile Technology Co.,LTD	SZSE:001234	Shenzhen Stock Exchange	China	424.2	Jiangsu Times Textile Technology Co.,LTD produces and sells knitted fabrics and knitted clothing products in China and internationally. The company's products include sportswear, casual clothing, children's clothing, and others.
Lancy Co., Ltd.	SZSE:002612	Shenzhen Stock Exchange	China	1,262.60	Lancy Co., Ltd. offers women's clothing under the LANCY, LIME, MoJo S.Phine, and mtsubomi brands; and children's clothing under the Agabang, ETTOI, DearBaby, 2ya2yao, Putto, Design Skin, and other brands.
Ribo Fashion Group Co., Ltd.	SHSE:603196	Shanghai Stock Exchange	China	791.4	Ribo Fashion Group Co., Ltd. engages in design, production, and sale of clothing products for women in China under the Broadcast, Broadcute, C_R_Z, MUCHELL, SIRLOIN, TAORAY WANG, and taoray taoray brands names.
People's Garment Public Company Limited	SET:PG	Stock Exchange of Thailand	Thailand	21.1	People's Garment Public Company Limited manufactures and distributes menswear, womenswear, children's wear, enterprise uniform, textile, uniform, sportswear, men's innerwear, and swimwear, as well as garment products for healthcare and others under the Arrow, Bobby Jones, Beverly Hills Polo Club, BSC, Calvin Klien, Elle, Lacoste, Le Cog Sportif, Mizuno, and Peter Millar brands.
Shenzhen Huijie Group Co., Ltd.	SZSE:002763	Shenzhen Stock Exchange	China	435.7	Shenzhen Huijie Group Co., Ltd. provides bras, vests, home furnishings, warmth, swimwear, sports, functions, and socks, as well as women's skin care and beauty products. The company offers its products under the Manifen, Ives, Lanzhuoli, Sangfulan, Secret Weapon, and UNDERSTANCE brand names.

Note:

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

[2] A control premium of 25% is applied by reference to various studies on US/ Australian transactions which have indicated an average takeover premium in range of 11% to 42%.

The following is the text of a letter, summary of values and valuation certificate, prepared for the purpose of incorporation in this circular received from King Kee Appraisal and Advisory Limited, an independent valuer, in connection with its valuation as at 28 February 2026 of the property interest of the Group.

King Kee Appraisal and Advisory Limited
Rm 1502-Gl6 Easey Comm Bldg,
253-261 Hennessy Road, Hong Kong

8 May 2026

The Board of Directors
Bonny International Holding Limited

Dear Sirs,

Instructions, Purpose and Date of Valuation

In accordance with your instructions to value the selected property interests held by Bonny International Holding Limited (the "**Company**") and its subsidiaries (hereinafter together referred to as the "**Group**") in the People's Republic of China (the "PRC"). We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the selected property interests as at 28 February 2026 (the "**Valuation Date**").

BASIS OF VALUATION

In arriving at our opinion of a market value, we followed "The RICS Valuation — Global Standards" issued by The Royal Institution of Chartered Surveyors ("**RICS**") 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."

In valuing the properties, we have complied with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION METHODOLOGY

We have valued the property interest in Group I which are held and occupied by the Group and property interests in Group II which are held for investment by the Group by the direct comparison approach assuming sale or asking prices of the properties in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market. Comparison is based on the considerations realised on actual or asking transactions of comparable properties. Comparable properties with similar sizes, characters and locations are analysed and carefully weighed against all respective advantages and disadvantages of each property in order to arrive at a fair comparison of value.

SOURCE OF INFORMATION

Unless otherwise stated, we shall rely to a considerable extent on the information provided to us by the Company or its legal adviser, King & Wood Mallesons ("PRC Legal Adviser") or other professional advisers on such matters as statutory notices, planning approval, zoning, easements, tenure, completion date of building, development proposal, identification of property, particulars of occupation, site areas, floor areas, matters relating to tenure, tenancies and all other relevant matters. Dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us and are therefore approximations and for reference only. We have not searched original plans, developer brochures and the like to verify them.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect that any material information has been withheld.

TITLE INVESTIGATION

We have been shown copies of various title documents including Real Estate Title Certificate and other official permits relating to the selected property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the selected property interests in the PRC and any material encumbrance that might be attached to the selected property interests or any tenancy amendment. We have relied considerably on the advice given by the Company's PRC Legal Advisor — King & Wood Mallesons, concerning the validity of the property interests in the PRC.

SITE INSPECTION

Ms. Nancy Yang (our valuer with relevant experience over 9 years), inspected the exterior and, where possible, the interior of the properties on 9 March 2026. However, no structural survey has been made, but during our inspection, we did not note any serious defects. We are, however, not able to report that the properties are free of rot, infestation, or other structural defects. No test was carried out on any of the services.

We have assumed that utility services, such as electricity, telephone, water, etc., are available and free from defect. Our valuations are prepared on the assumption that these aspects are satisfactory. We have not arranged for any investigation to be carried out to determine whether high alumina cement concrete or calcium chloride additive or pulverized fly ash, or any other deleterious material has been used in the construction of the properties. We are therefore unable to report that the properties are free from risk in this respect. For the purpose of this valuation, we have assumed that deleterious material has not been used in the construction of the properties.

Unless otherwise stated, we have not carried out detailed on-site measurements to verify the site and floor areas of the properties and we have assumed that the areas shown on the documents handed to us are correct.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

Continued uses assumes the properties will be used for the purposes for which the properties are designed and built, or to which they are currently adapted. The valuation on the property in continued uses does not represent the amount that might be realized from piecemeal disposition of the property in the open market.

It is also assumed that all applicable zoning and use regulations and restrictions have been complied with unless nonconformity has been stated, defined and considered in the Report. In addition, it is assumed that the utilization of the land and improvements are within the boundaries of the properties described and that no encroachment or trespass exists, unless noted in the Report.

No allowance has been made in our Report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoings of an onerous nature, which could affect their value.

We have further assumed that the properties were not transferred or involved in any contentious or non-contentious dispute as at the Valuation Date. We have also assumed that there was not any material change of the properties in between dates of our inspection and the Valuation Date.

CURRENCY

Unless otherwise stated, all monetary amounts stated in our Report are in Renminbi ("RMB"), the official currency of the PRC. Our valuations are summarized below and the valuation certificates are attached.

Yours faithfully,

Richard Zhang
Managing Director
ASA MRICS CPV
For and on behalf of
King Kee Appraisal and Advisory Limited

Note: Mr. Richard Zhang is a chartered surveyor who has 30 years' experience in the valuation of properties in Mainland China, Hong Kong and the Asia-Pacific region.

SUMMARY OF VALUES

Abbreviation:

Group I: Property interests held and occupied by the Group in the PRC

Group II: Property interests held for investment by the Group in the PRC

Property	Market value in existing state as at the Valuation Date	Market value in existing state as at the Valuation Date	Interest attributable to the Group	The total market value in existing state as at the Valuation Date
	RMB	*RMB*		*RMB*
	Group I	**Group II**		
a parcel of land, seven buildings and three ancillary projects located at No. 129 Chunhan Road, Beiyuan Street, Yiwu City, Zhejiang Province, the PRC	203,099,000	256,265,000	100%	459,364,000
Total	**203,099,000**	**256,265,000**	**100%**	**459,364,000**

VALUATION CERTIFICATE

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at Valuation Date *RMB*
a parcel of land, seven buildings and three ancillary projects located at No. 129 Chunhan Road, Beiyuan Street, Yiwu City, Zhejiang Province, the PRC	The property comprises a parcel of land with a site area of approximately 45,955.83 sq.m. and six industrial buildings, a staff dormitory building and three ancillary projects with a total gross floor area ("GFA") of approximately 154,563.81 sq.m., erected thereon which were completed in various stages between 2016 and 2025. The three ancillary projects include road, fire & electrical works and natural gas pipeline works. The property is under the jurisdiction of Beiyuan Sub-district, Yiwu City, located in the northwest of the main urban area. Situated on the core development axis connecting Yiwu Trade City, Beiyuan Industrial Zone and West City Logistics Park, it is approximately 3.4 kilometers away from Yiwu Municipal Government and 4.2 kilometers from Yiwu International Trade City, falling into a mixed urban built-up area integrating industry and residential functions. The land use rights of the seven buildings have been granted for a term with the expiry date on 23 March 2064 for industrial use.	As at the valuation date, portions of the property were rented to several independent third parties and a connected party of the Company, portions of the property were vacant and the remaining portion was held and occupation by the Group. For details, please refer to Notes Nos. 2, 3 and 4.	459,364,000

Notes:

1. Pursuant to a Real Estate Title Certificate — Zhe (2025) Yiwu City Bu Dong Chan Quan Di No. 0057097 (浙(2025)義烏市不動產權第0057097號), seven industrial buildings with a total gross floor area of approximately 154,563.81 sq.m. are owned by Zhejiang Bonny Fashion Holdings Group Co., Ltd. ("Zhejiang Bonny "). The land use rights of a parcel of land with a site area of approximately 45,955.83 sq.m. have been granted to the Zhejiang Bonny for a term of 50 years commencing from 1 April 2014 and expiring on 23 March 2064 for industrial use. The details are set out as follows:

Building	Real Estate Title Certificate No.	Total Floors	Registered GFA *(sq.m.)*	GFA-held and occupied (Group I) *(sq.m.)*	GFA -held for investment (Group II) *(sq.m.)*
Building No.1	Zhe (2025) Yiwu City Bu Dong Chan Quan Di No. 0057097	9 (Basement 1 to 8F)	19,982.40	19,982.40 *(including 56 underground parking spaces)*	
Building No.2		6 (1F to 6F)	27,788.05		*27,788.05**
Building No.3		5 (1F to 5F)	15,872.39	15,872.39	
Building No.4		5 (1F to 5F)	15,872.39	15,872.39	
Building No.5		6 (1F to 6F)	26,693.55		*26,693.55**
Building No.6		12 (Basement 1 to 11F)	34,941.09	*3,196.27 (including 72 underground parking spaces)*	*31,744.82* (excluding the underground garage and the roof.)*
a Staff Dormitory Building		14 (Basement 1 to 13F)	13,413.94	13,413.94	
Total			**154,563.81**	**68,337.39**	**86,226.42***

* *As advised, Building Nos. 2, 5 and portion of Building No. 6 as mentioned above, with GFA of approximately 86,226.42 sq.m., held for investment purpose.*

2. Pursuant to various lease agreements and supplementary agreements, portions of Building Nos. 1 and 4 of the property in Group I with a total GFA of approximately 15,616.40 sq.m. were leased to various independent third parties at a total annual rental of approximately RMB4,113,092.76 for terms with the expiry dates between 11 March 2026 and 4 November 2028 for storage and office uses, but exclusive of management fees, water, electricity, gas and communication charges.

3. Pursuant to various lease agreements and supplementary agreements, Building Nos. 2, 5 and portion of Building No. 6 of the property in Group II with a total GFA of approximately 58,650.70 sq.m. were leased to various independent third parties at a total annual rental of approximately RMB10,740,802.19 for terms with the expiry dates between 14 June 2026 and 31 August 2031 for storage and office uses, but exclusive of management fees, water, electricity, gas and communication charges. The remaining portion of the property is currently vacant.

4. Pursuant to a building lease agreement, portions of Buildings No.1, 3, 4 with a total gross floor area of approximately 27,196.49 sq. m. and portion of a staff dormitory building with 264 staff dormitories in Group I at a total annual rental of approximately RMB12,231,894.00 were leased by Zhejiang Bonny to Yiwu Bonny Fashion Co., Ltd. ("Yiwu Bonny"), a connected party of the Company, inclusive of property management fee and VAT for a term of 3 years from 1 September 2025 and expiring on 31 August 2028 for workshop, storage, office and staff dormitory uses, but exclusive of water, electricity, gas and communication charges.

5. We have identified and analyzed various relevant sales evidences of industrial building projects (including the land) in the locality which have similar characteristics as the subject property such as nature, use, tenure and accessibility. The unit rate of these comparable ranges from about RMB2,480 to RMB3,330 per sq.m. on gross floor area basis. Appropriate adjustments and analysis are considered to the differences in location, size, time and other characters between the comparable properties and the subject property. Alternatively, if the comparable property is inferior or less desirable than the property, an upward adjustment is made. Regarding to time adjustment, the market condition between the transaction date and valuation date is considered.

6. Pursuant to four Real Estate Registration Certificates - Zhe (2025) Yiwu City Bu Dong Chan Zheng Ming Di Nos. 0045620, 0045521, 0045548 and 0045601, a parcel of land with a site area of approximately 45,955.83 sq.m. and seven buildings with a total gross floor area of approximately 154,563.81 sq.m. are subject to a mortgage in favor of Zhejiang Yiwu Rural Commercial Bank Co., Ltd. as security to guarantee the principal obligation under various agreements entered into between Zhejiang Yiwu Rural Commercial Bank Co., Ltd. and Zhejiang Bonny Fashion Holdings Group Co., Ltd. for a maximum amount of RMB396,070,000 with the security term from 3 July 2021 to 4 December 2034.

7. We have been provided with a legal opinion regarding the property interests by the Company's PRC Legal Advisers, which contains, inter alia, the following:

   a. the Company has lawfully acquired the ownership of the subject properties and the land use rights;

   b. the Company enjoys the ownership of the subject property and the corresponding land use right according to law, and has the right to occupy, use, derive benefits from and mortgage the subject property according to law; and

   c. save for the encumbrances disclosed above, there are no other mortgages, no judicial mandatory measures such as seizure or freezing have been imposed, and there are no existing or potential ownership disputes in respect of the aforesaid land use rights and buildings.

8. For the purpose of this report, the property is classified into the following groups according to the purpose for which it is held, we are of the opinion that the market value of each group as at the Valuation Date in its existing state is set out as below:

Group	**Market value in existing state as at the Valuation Date** *RMB*
Group I — Property interests held and occupied by the Group in the PRC	203,099,000
Group II — Property interests held for investment by the Group in the PRC	256,265,000
Total	459,364,000

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiry, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS

(a) Interests and short positions of Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO")), which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO), or were recorded in the register required to be kept under Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies adopted by the Company (the "**Model Code**") were as follows:

(i) Long position in the issued shares of the Company

Name of Director	Capacity/Nature of Interest	Number of Shares held/interested	Approximate percentage of shareholding *(Note 1)*
Jin Guojun	Interested in controlled corporation *(Note 2)*	793,125,000	53.91%
Gong Lijin	Interest of spouse *(Note 3)*	793,125,000	53.91%
Huang Jingyi	Beneficial owner	10,033,461	0.68%

Notes:

1. As at the Latest Practicable Date, the total number of issued shares of the Company is 1,471,123,710 shares.

2. These shares are held by Maximax Holding Corporation ("**Maximax**"), which is wholly owned by Mr. Jin Guojun. By virtue of the SFO, Mr. Jin Guojun is deemed to be interested in the shares held by Maximax.

3. Mr. Jin Guojun is the spouse of Ms. Gong Lijin. By virtue of the SFO, Ms. Gong Lijin is deemed to be interested in the shares interested by Mr. Jin Guojun.

(ii) Long position in the shares of associated corporations of the Company

Name of Director	Name of associated corporation	Capacity/Nature of interest	Number of Shares held/ interested	Approximate percentage of shareholding
Jin Guojun	Maximax *(Note 1)*	Interest in controlled corporation	1	100%

Note:

1. Maximax is one of the controlling shareholders of the Company and is wholly owned by Mr. Jin Guojun.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company had any interest or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which have been notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have taken under such provisions of the SFO), or were recorded in the register required to be kept under Section 352 of the SFO, or as otherwise were notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Interests and short positions of the substantial Shareholders in the shares and underlying shares of the Company

As at the Latest Practicable Date, so far as known to the Directors, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long position in issued shares of the Company

Name of Shareholder	Capacity/Nature of Interest	Number of Shares held/interested	Approximate percentage of shareholding *(Note 1)*
Maximax	Beneficial Owner	793,125,000 *(Note 2)*	53.91%
Yiwu Financing Guarantee Co., Ltd.* (義烏市融資擔保有限公司)	Person having a security interest in the shares	243,025,715	16.52%

Notes:

1. As at the Latest Practicable Date, the total number of issued shares of the Company is 1,471,123,710 shares.

2. As at the Latest Practicable Date, Maximax has pledged 243,025,715 shares of the Company as security and it is not intended to provide guarantee for the Company's debts or the Company's warranties or as support for other obligations.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

As at the Latest Practicable Date, no Director or proposed Director is a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

(c) Interests of Directors in the assets of the Group

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had, since 31 December 2025, being the date of the latest published audited consolidated financial statements of the Company, been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

(d) Interests of Directors in contracts of the Group

There was no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested in and which is significant to the business of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, the controlling Shareholders or his or her respective close associates was considered to have interests in business which competes or was likely to compete, either directly or indirectly, with the business of the Group other than those business to which the Directors, the controlling Shareholders or his or her close associates were appointed to represent the interests of the Company and/or the Group.

5. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business of the Company under the Listing Rules) has been entered into by members of the Group within the two years immediately preceding the date of this circular and are or may be material:

(a) the SPA.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL ACQUISITION

Since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Group have been made up and up to the Latest Practicable Date, no member of the Group has acquired, or agreed to acquire, or is proposing to acquire a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the auditor's report or next published audited consolidated financial statements of the Group.

8. EXPERTS AND CONSENT

The following are the qualifications of the experts who have been named in this circular or has given opinion contained or advised in this circular:

Name	Qualifications
Ballas Capital Limited	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants
King Kee Appraisal and Advisory Limited	Independent qualified valuer

As at the Latest Practicable Date, each of the experts named above has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and reference to its name, in the form and context in which they are included.

As at the Latest Practicable Date, each of the experts named above did not have any shareholding in any member of the Group and did not have the right to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, each of the experts named above did not have any interest, direct or indirect, in any assets which have been acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

9. MISCELLANEOUS

(a) The joint company secretaries of the Company are Mr. Zhao Hui and Mr. Yip Ngai Hang. Mr. Yip is a fellow member of the Hong Kong Institute of Certified Public Accountants.

(b) The registered office of the Company is at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1—1002, Cayman Islands.

(c) The Company's principal place of business in the PRC is at No. 129, Chunhan Road, Beiyuan Street, Yiwu City, Zhejiang Province, PRC.

(d) The Cayman Islands principal share registrar and transfer office of the Company is Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1—1002, Cayman Islands.

(e) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, 17/F Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(f) The English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be displayed on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.bonnychina.com in accordance with the Listing Rules for a period of not less than 14 days from the date of this circular.

(a) the SPA;

(b) the Lease Agreement;

(c) the letter from the Independent Board Committee, the text of which is set out under the section headed "Letter from the Independent Board Committee" of this circular;

(d) the letter from the Independent Financial Adviser, the text of which is set out under the section headed "Letter from the Independent Financial Adviser" of this circular;

(e) the report on review of the financial information of the Bonny HK Group, the text of which is set out in Appendix II to this circular;

(f) the report on the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;

(g) the Valuation Report, the text of which is set out in Appendix V to this circular;

(h) the Property Valuation Report, the text of which is set out in Appendix VI to this circular; and

(i) the written consents referred to in the paragraph headed "8. Experts and consent" above in this appendix.

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)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Bonny International Holding Limited (the "**Company**") will be held at No. 129, Chunhan Road, Beiyuan Street, Yiwu City, Zhejiang Province, PRC on Tuesday, 26 May 2026 at 2 p.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions. Capitalised terms defined in the circular dated 8 May 2026 issued by the Company (the "**Circular**") of which this notice forms part shall have the same meanings when used herein unless otherwise specified:

ORDINARY RESOLUTIONS

1. "**THAT**

   (a) the share purchase agreement dated 10 April 2026 (the "**SPA**") entered into among the Company, Hong Kong Bo De Trade Co., Limited and Mr. Jin Guojun in relation to the disposal of the entire issued shares in Hongkong Bonny Limited (a copy of which has been produced to the EGM marked "A" and signed by the Chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved; and

   (b) any one Director be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things (including signing and executing all such documents, instruments and agreements as may be required, including under seal where applicable) as the Company, such Director or, as the case may be, the Board may consider necessary, desirable or expedient or in the interest of the Company to give effect to the terms of the matters contemplated under the SPA and all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith."

2. "**THAT**

   (a) the lease agreement (the "**Lease Agreement**") to be entered into between Zhejiang Bonny and Yiwu Bonny in relation to the leasing of the Leased Area (as defined in the Circular) (a copy of which has been produced to the EGM marked "B" and signed by the Chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby confirmed and approved; and

(b) any one Director be and is hereby authorised, for and on behalf of the Company, to complete and do all such acts or things (including signing and executing all such documents, instruments and agreements as may be required, including under seal where applicable) as the Company, such Director or, as the case may be, the Board may consider necessary, desirable or expedient or in the interest of the Company to give effect to the terms of the matters contemplated under the Lease Agreement and all transactions contemplated thereunder and all other matters incidental thereto or in connection therewith."

By Order of the Board
Bonny International Holding Limited
Jin Guojun
Chairman

Hong Kong, 8 May 2026

Notes:

1. Any member entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

2. The register of members will be closed from 20 May 2026 to 26 May 2026 both days inclusive, during which no transfer of shares will be registered. In order to be entitled to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on 19 May 2026.

3. In order to be valid, the form of proxy together with a power of attorney or other authority (if any) under which it is signed or a certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the EGM (or any adjournment thereof).

4. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM and in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. Where there are joint holders of any shares, any one of such joint holders may vote either in person or by proxy in respect of such shares as if he/she was solely entitled thereto; but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.

As at the date of this notice, 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.