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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

The board (the "**Board**") of directors (the "**Directors**") of Bonny International Holding Limited (the "**Company**") announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026 (the "**Reporting Period**"), together with the comparative figures for the corresponding period in 2025 (the"**Corresponding Period**"), as follows:

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2026

		2026	2025
		(Unaudited)	(Unaudited)
	Notes	***RMB'000***	*RMB'000*
REVENUE	4	**97,435**	116,206
Cost of sales		**(65,033)**	(77,865)
Gross profit		**32,402**	38,341
Other income and gains		**26,696**	11,637
Selling and distribution expenses		**(18,242)**	(20,769)
Administrative expenses		**(19,089)**	(14,680)
Impairment losses on financial assets, net		**(49)**	(531)
Other expenses		**(7,131)**	(9,470)
Finance costs		**(4,451)**	(3,178)

	Notes	**2026** **(Unaudited)** ***RMB'000***	2025 (Unaudited) *RMB'000*
PROFIT BEFORE TAX	5	**10,136**	1,350
Income tax expense	6	**(285)**	(178)
PROFIT FOR THE PERIOD		**9,851**	1,172
Attributable to:			
Owners of the parent		**9,866**	1,173
Non-controlling interests		**(15)**	(1)
		9,851	1,172
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		**RMB 0.7 cent**	RMB 0.1 cent

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2026

	2026	2025
	(Unaudited)	(Unaudited)
	RMB'000	*RMB'000*
PROFIT FOR THE PERIOD	**9,851**	1,172
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**13,090**	3,253
Reclassification of exchange fluctuation reserve to profit or loss on disposal of a subsidiary	**2,669**	—
	15,759	3,253
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**(14,129)**	(5,754)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX	**1,630**	(2,501)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**11,481**	(1,329)
Attributable to:		
Owners of the parent	**11,496**	(1,328)
Non-controlling interests	**(15)**	(1)
	11,481	(1,329)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Notes	**30 June 2026 (Unaudited)** ***RMB'000***	31 December 2025 (Audited) *RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	9	**14,918**	190,127
Advance payments for property, plant and equipment		**—**	1,422
Investment properties		**—**	257,159
Right-of-use assets		**31,161**	29,910
Intangible assets		**749**	911
Equity investments designated at fair value through other comprehensive income		**—**	150
Due from related parties	15	**181,275**	—
Total non-current assets		**228,103**	479,679
CURRENT ASSETS			
Inventories		**31,661**	62,775
Trade receivables	10	**22,909**	40,189
Prepayments, other receivables and other assets		**2,250**	18,501
Due from related parties	15	**36,282**	820
Financial assets at fair value through profit or loss		**—**	620
Pledged deposits		**6,791**	—
Cash and cash equivalents		**30,220**	20,423
Total current assets		**130,113**	143,328
CURRENT LIABILITIES			
Trade and bills payables	11	**17,448**	25,169
Other payables and accruals		**28,949**	53,269
Interest-bearing bank and other borrowings		**1,780**	138,056
Tax payable		**159**	510
Total current liabilities		**48,336**	217,004

	Notes	30 June 2026 (Unaudited) RMB'000	31 December 2025 (Audited) RMB'000
NET CURRENT ASSETS/(LIABILITIES)		**81,777**	(73,676)
TOTAL ASSETS LESS CURRENT LIABILITIES		**309,880**	406,003
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**1,451**	89,418
Deferred tax liabilities		**—**	18,589
Total non-current liabilities		**1,451**	108,007
Net assets		**308,429**	297,996
EQUITY			
Equity attributable to owners of the parent			
Share capital	12	**100,114**	100,114
Share premium		**245,106**	245,106
Other reserves		**(36,850)**	(48,346)
		308,370	296,874
Non-controlling interests		**59**	1,122
Total equity		**308,429**	297,996

NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The interim condensed consolidated financial information for the six months ended 30 June 2026 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify that a financial asset is derecognised when the entity's rights to the contractual cash flows expire or are transferred, while a financial liability is derecognised on the settlement date. The amendments introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. Since the Group's accounting policy for the derecognition of financial assets and liabilities in prior years aligned with the amendments and the Group did not have the financial assets that were addressed by the amendments, the amendments did not have any impact on the interim condensed consolidated financial information. The Group will provide additional disclosures for its equity investments designated at fair value through other comprehensive income in the Group's consolidated financial statements for the year ending 31 December 2026.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the "own-use" requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effects these contracts have on an entity's financial performance and future cash flows. As the Group did not have any contracts that are in the scope of the amendments, the amendments did not have any impact on the interim condensed consolidated financial information.

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out narrow scope amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the corresponding HKFRS Accounting Standards. The amendments did not have any impact on the interim condensed consolidated financial information.

3. OPERATING SEGMENT INFORMATION

Six months ended 30 June 2026	**ODM products** *RMB'000* **(Unaudited)**	**Brand products** *RMB'000* **(Unaudited)**	**Total** *RMB'000* **(Unaudited)**
Segment revenue			
Sales to external customers	**82,723**	**14,712**	**97,435**
Segment results	**22,959**	**(8,799)**	**14,160**
Other income and gains			**26,696**
Corporate and other unallocated expenses			**(26,269)**
Finance costs			**(4,451)**
Profit before tax			**10,136**

Six months ended 30 June 2025	ODM products *RMB'000* (Unaudited)	Brand products *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Segment revenue			
Sales to external customers	98,356	17,850	116,206
Segment results	25,373	(7,801)	17,572
Other income and gains			11,637
Corporate and other unallocated expenses			(24,681)
Finance costs			(3,178)
Profit before tax			1,350

Geographic information

(a) Revenue from external customers

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Germany	**38,072**	33,079
Chinese mainland	**31,461**	34,411
United States of America	**16,865**	19,897
Netherlands	**4,148**	9,549
Mexico	**3,388**	1,214
Korea	**1,286**	3,130
France	**626**	1,837
Canada	**265**	9,140
Britain	**—**	3,545
Other countries or regions	**1,324**	404
Total	**97,435**	116,206

The revenue information above is based on the shipment destinations.

(b) Non-current assets

All non-current assets of the Group are located in the Chinese mainland.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Revenue from contracts with customers	**97,435**	116,206

Disaggregated revenue information for revenue from contracts with customers

For the six months ended 30 June 2026

Segments	**ODM products**	**Brand products**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**
Type of goods or services			
Sale of goods	**82,723**	**14,712**	**97,435**
Geographical markets			
Chinese mainland	**16,749**	**14,712**	**31,461**
Germany	**38,072**	**—**	**38,072**
United States of America	**16,865**	**—**	**16,865**
Netherlands	**4,148**	**—**	**4,148**
Mexico	**3,388**	**—**	**3,388**
Korea	**1,286**	**—**	**1,286**
France	**626**	**—**	**626**
Canada	**265**	**—**	**265**
Other countries or regions	**1,324**	**—**	**1,324**
Total	**82,723**	**14,712**	**97,435**
Timing of revenue recognition			
Goods transferred at a point in time	**82,723**	**14,712**	**97,435**

For the six months ended 30 June 2025

Segments	ODM products *RMB'000* (Unaudited)	Brand products *RMB'000* (Unaudited)	Total *RMB'000* (Unaudited)
Type of goods or services			
Sale of goods	98,356	17,850	116,206
Geographical markets			
Chinese mainland	16,561	17,850	34,411
Germany	33,079	—	33,079
United States of America	19,897	—	19,897
Netherlands	9,549	—	9,549
Canada	9,140	—	9,140
Britain	3,545	—	3,545
Korea	3,130	—	3,130
France	1,837	—	1,837
Mexico	1,214	—	1,214
Other countries or regions	404	—	404
Total	98,356	17,850	116,206
Timing of revenue recognition			
Goods transferred at a point in time	98,356	17,850	116,206

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Cost of inventories sold*	**65,033**	77,865
Depreciation of property, plant and equipment	**4,471**	4,596
Depreciation of right-of-use assets	**2,364**	1,878
Amortisation of intangible assets	**168**	98
Research and development costs**	**3,231**	8,296
Government grants	**(403)**	(1,475)
Outsourced manufacturers	**2,326**	2,708
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries	**30,814**	31,041
Pension scheme contributions	**2,944**	3,014
Staff welfare expenses	**895**	139
Total	**34,653**	34,194
Concession fees	**3,001**	3,279
Write-down/(reversal of write-down) of inventories to net realisable value	**(1,677)**	600
Impairment/(reversal of impairment) of trade receivables, net	**(76)**	531
Loss on debt restructuring	**—**	502
Loss/(gain) on disposal of items of property, plant and equipment	**74**	(343)
Bank interest income	**(9)**	(4)
Exchange differences, net	**2,158**	(858)

* The cost of inventories sold includes RMB17,070,000 (30 June 2025: RMB21,167,000) relating to staff cost, depreciation of property, plant and equipment, depreciation of right-of-use assets, amortisation of intangible assets and impairment of inventories for the period ended 30 June 2026, which are also included in the respective total amounts disclosed above for each type of expenses.

** The research and development costs include RMB2,304,000 (30 June 2025: RMB5,087,000) relating to staff cost, depreciation of property, plant and equipment and amortisation of intangible assets for the period ended 30 June 2026, which are also included in the respective total amounts disclosed above for each type of expenses.

6. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Group is not subject to any income tax in the Cayman Islands.

Pursuant to the relevant tax law of the Hong Kong Special Administrative Region, Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025:8.25%) and the remaining assessable profits are taxed at 16.5% (2025:16.5%).

The provision for Chinese mainland current income tax is based on the statutory rate of 25% of the assessable profits of certain PRC subsidiaries of the Group as determined in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008, except for certain subsidiaries of the Group in Chinese mainland which are granted tax concession and are taxed at preferential tax rates.

Zhejiang Bonny Fashion Holding Group Co., Ltd., a subsidiary of the Company which was disposed on 30 June 2026, is qualified as a High and New Technology Enterprise and was entitled to a preferential income tax rate of 15% (2025:15%) during the period.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current		
Charge for the period	**285**	178
Total tax charge for the period	**285**	178

7. DIVIDENDS

No dividend was declared and paid by the Company during the period.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,471,123,710 (2025: 1,471,123,710) in issued during the period.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2026 and 2025.

The calculations of basic and diluted earnings per share are based on:

	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**9,866**	1,173

	Number of shares	
	2026	2025
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,471,123,710**	1,471,123,710

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2026, the Group acquired assets at a cost of RMB5,910,000 (30 June 2025: RMB2,936,000).

Assets (other than those classified as held for sale) with a net book value of RMB150,000 were disposed of by the Group during the six months ended 30 June 2026 (30 June 2025: RMB31,000), resulting in a net loss on disposal of RMB74,000 (30 June 2025: a net loss on disposal of RMB343,000).

10. TRADE RECEIVABLES

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 3 months	**20,184**	39,023
3 to 6 months	**859**	625
6 to 12 months	**1,801**	251
1 to 2 years	**65**	158
2 to 3 years	**—**	132
Total	**22,909**	40,189

11. TRADE AND BILLS PAYABLES

An ageing analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 3 months	**6,192**	13,611
3 to 6 months	**8,380**	10,844
6 to 12 months	**2,876**	25
Over 12 months	**—**	689
Total	**17,448**	25,169

12. SHARE CAPITAL

Shares

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Issued and fully paid:		
1,471,123,710 (31 December 2025: 1,471,123,710) ordinary shares	**100,114**	100,114

13. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Buildings	**—**	9,109

14. DISPOSAL OF A SUBSIDIARY

On 10 April 2026, The Group entered into a share purchase agreement with Hong Kong Bo De Trade Co., Limited ("**Hong Kong Bo De**") and Mr. Jin (as guarantor) for the sale of all issued share capital of Hongkong Bonny Limited ("**Bonny HK**"), with a cash consideration of approximately RMB 241,700,000. The transaction was completed on 30 June 2026, resulting in a change of controlling shareholder from Bonny International to Hong Kong Bo De. Bonny HK is holding the sale of traditional intimate wear products under the "Bonny" and "U+Bonny" brands (the "**Brand Products Business**"), which has been loss-making, and yet to show significant improvement. The disposal allows the Group to eliminate the ongoing drag on profitability from the Brand Products Business's declining revenue. The gain on this transaction amounted to RMB15,330,000 for the period ended 30 June 2026.

(i) The financial impacts arising form the disposal are summarised as follow

	Total
	RMB'000
Consideration for the disposal (net of tax)	**241,700**
Less: Adjusted net assets of the Bonny HK and its subsidiaries ("**Bonny HK Group**") as at 30 June 2026 attributable to owners of the parent [(a)]	**(223,701)**
Less: Reclassification of exchange fluctuation reserve to profit or loss	**(2,669)**
Gain on the disposal	**15,330**

(a) Adjusted net assets of the Bonny HK Group as at 30 June 2026 attributable to owners of the parent is calculated as follows:

	Total
	RMB'000
Net assets of the Bonny HK Group as at 30 June 2026	**207,183**
Less: Intra-group transaction of amount due to fellow subsidiaries	**(17,640)**
Adjusted net assets of the Bonny HK Group as at 30 June 2026	**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**

(ii) The carrying values of the assets and liabilities of the disposed subsidiary as at the disposed dates are summarised as follows:

	Total
	RMB'000
Property, plant and equipment	**176,079**
Prepayment for property, plant and equipment	**2,775**
Investment property	**257,159**
Right of use assets	**19,378**
Intangible assets	**31**
Equity investments designated at fair value through other comprehensive income	**150**
Inventories	**23,171**
Trade receivables	**4,331**
Prepayments, other receivables and other assets	**34,893**
Financial assets at fair value through profit or loss	**394**
Cash and cash equivalents	**48,396**
Trade payables	**(1,027)**
Other payables and accruals	**(22,546)**
Interest-bearing bank and other borrowings -current	**(201,136)**
Tax payable	**(616)**
Due to fellow subsidiaries	**(41,508)**
Interest-bearing bank and other borrowings -non-current	**(74,152)**
Deferred tax liabilities	**(18,589)**
Net assets disposed of	**207,183**

(iii) The cash impact arising from the disposal in above transactions are summarised as follows:

	Total
	RMB'000
Cash considerations received as of 30 June 2026	**60,425**
Cash of the subsidiaries disposed	**(48,396)**
Net cash impact	**12,029**

15. RELATED PARTY TRANSACTIONS

(a) The Group had the following transactions with related parties during the period:

	Notes	For the six months ended 30 June **2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
Lease payments made to:			
Material Technology Co., Ltd. ("**Deshipu New Material**")	(i)	**793**	795
Zhejiang Hongliu Environmental Technology Co., Ltd ("**Zhejiang Hongliu**")	(i)	**—**	2,571
Bonny HK Group	(i)	**23,375**	—
Total		**24,168**	3,366
Property management payments made to:			
Deshipu New Material	(i)	**529**	530
Zhejiang Hongliu	(i)	**—**	114
Bonny HK Group	(i)	**10,752**	114
Total		**11,281**	644
Deposits paid to:			
Bonny HK Group	(i)	**1,000**	—
Deshipu New Material	(i)	**—**	200
Zhejiang Hongliu	(i)	**—**	500
Total		**1,000**	700
Borrowings from:			
Zhejiang Baicheng Trading Co., Ltd. ("**Baicheng Trading**")	(ii)	**—**	26,800

Note:

(i) The Group rent certain properties from related parties used for the Group's daily operation. The amount represents leases payments, property management payments and deposits made related to the leases.

(ii) The borrowings from Baicheng Trading are unsecured, non-interest-bearing and repayable on 31 March 2026.

(b) Other transactions with related parties:

(i) Mr. Jin Guojun and Ms. Gong Lijin, the chairman and his wife, have guaranteed certain of the Group's bank loans of up to RMB250,000,000 as at 31 December 2025.

(ii) Ms. Huang Jingyi, the non-executive director, has guaranteed certain of the Group's bank loans of up to RMB200,000,000 as at 31 December 2025.

(c) Outstanding balances with related parties:

	30 June 2026	31 December 2025
	RMB'000	*RMB'000*
	(Unaudited)	(Audited)
Due from related parties		
Deshipu New Material *(i)*	**—**	200
Zhejiang Hongliu *(i)*	**620**	620
Mr. Jin Guojun *(ii)*	**42**	—
Bonny HK Group *(iii)*	**17,078**	—
Bonny HK Group *(i)(v)*	**18,542**	—
Hong Kong Bo De *(iv)*	**181,275**	—
Total	**217,557**	820
Right-of-use assets		
Bonny HK Group *(i)(v)*	**23,375**	—

Notes:

(i) The balances with related parties above are trade in nature, unsecured, non-interest-bearing and repayable on demand.

(ii) The balances with related parties above are non-trade in nature, unsecured, non-interest-bearing and repayable on demand.

(iii) The balances with related parties above are non-trade in nature, unsecured, carrying an effective interest rate at 3% and repayable on demand.

(iv) The balances with related parties are the unpaid portion of the consideration for disposing Bonny HK Group as disclosured in note 14 for the period ended 30 June 2026. Please refer to the circular dated 8 May 2026 for details of settled schedule.

(v) Upon completion of the disposal, the Bonny HK Group leased the property to the Group for a term of three years commencing on 30 June 2026. The Group paid a deposit of RMB1,000,000 and a property service fee of RMB10,752,000. The remaining receivables of RMB6,790,000 represent taxes that have not been invoiced.

The lease also resulted in the recognition of a right-of-use asset valued at RMB23,375,000. Please refer to the circular dated 8 May 2026 for details of the acquisition of right-of-use assets.

(d) Compensation of key management personnel of the Group:

	For the six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Short-term employee benefits	**1,107**	1,255
Total compensation paid to key management personnel	**1,107**	1,255

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS AND FINANCIAL REVIEW

During the Reporting Period, design, research and development, production and sales of seamless and traditional intimate wear products continued to be the core business of the Group. The Group focused on providing one-stop intimate wear manufacturing solutions for the original design manufacturers (the "**ODM**") both in the People's Republic of China (the "**PRC**") and overseas, and sale of traditional intimate wear products under the "Bonny" and "U+Bonny" brands through the retail network in the PRC. Following the completion of the disposal of the entire issued share capital of Hongkong Bonny Limited (the "**Bonny HK**") (the "**Disposal**") on 30 June 2026 as announced in the Company's announcement dated 10 April 2026 and circular dated 8 May 2026, Bonny HK and its subsidiaries (the "**Bonny HK Group**") ceased to be part of the Group, and the own-brand products segment was also separated from the Group. Starting from the second half of 2026, the ODM products segment became the sole principal business of the Group.

In the first half of 2026, the global economy presented a complex landscape characterised by low growth, persistently high inflation, and geopolitical risks. Global growth expectations were revised downwards on multiple occasions, with major economies struggling to strike a balance between "combating inflation" and "stabilising growth". China's national economy continued its overall stable trajectory. According to statistics from the General Administration of China Customs, China's textile and garment exports reached US$146.0 billion from January to June 2026, representing an increase by 1.4% year-on-year, which is a relatively high level historically. Of this, textile exports totalled US$73.0 billion, representing an increase by 3.5% year-on-year, maintaining a steady growth momentum, while apparel exports amounted to US$73.0 billion, representing a slight decrease by 0.7% year-on-year, with the decline narrowing by 0.9 percentage points compared with the Corresponding Period. From the perspective of product structure, China's intermediate textile exports demonstrated strong resilience, whilst garment exports continued to face pressure.

During the Reporting Period, the Group reported a revenue of approximately RMB97.4 million for total, representing a decrease of approximately RMB18.8 million or approximately 16.2% compared to approximately RMB116.2 million for the Corresponding Period, primarily due to the decline in orders exported to the United States, the Netherlands, Canada, South Korea and other countries.

The revenue analysis by business segment and sales region is as follows:

For the six months ended 30 June

	2026 *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)	The changes
Brand products	**14,712**	17,850	-18%
ODM products-Geographical markets			
Germany	**38,072**	33,079	15%
United States of America	**16,865**	19,897	-15%
Chinese mainland	**16,749**	16,561	1%
Netherlands	**4,148**	9,549	-57%
Mexico	**3,388**	1,214	179%
Korea	**1,286**	3,130	-59%
France	**626**	1,837	-66%
Canada	**265**	9,140	-97%
Britain	**—**	3,545	-100%
Other countries or regions	**1,324**	404	228%
Total	**97,435**	116,206	-16%

During the Reporting Period, despite a decline in revenue, the Group reported a profit attributable to owners of the Company of approximately RMB9.9 million, primarily due to the recognition of gains related to the Disposal of approximately RMB15.3 million (after taking into account the loss from reclassification of exchange differences previously recognised in other comprehensive income to profit or loss) during the Reporting Period.

Revenue

Revenue for the Reporting Period amounted to approximately RMB97.4 million, representing a decrease of approximately RMB18.8 million, or approximately 16.2%, as compared to approximately RMB116.2 million for the Corresponding Period.

Revenue of the ODM products segment for the Reporting Period amounted to approximately RMB82.7 million, representing a decrease of approximately RMB15.7 million, or approximately 16.0%, as compared to approximately RMB98.4 million for the Corresponding Period. The decline was primarily attributable to: i) sluggish growth in end-consumer demand for apparel due to the resurgence of inflation and fluctuations in the economic environment; ii) the continued intense competition in the domestic ODM industry; iii) the enhanced low-cost competitive advantages of emerging markets such as Southeast Asia and their relative advantages in tariff competition; and iv) the shifting of orders to other regions by some customers as affected by the costs associated with tariff adjustments.

Revenue of the brand products segment for the Reporting Period amounted to approximately RMB14.7 million, representing a decrease of approximately RMB3.2 million, or approximately 17.9%, as compared to approximately RMB17.9 million for the Corresponding Period. The decrease was mainly due to the further reduction in the number of retail stores and low store efficiency. As at 30 June 2026, the Group operated 93 self-managed retail outlets (including 86 concession counters and 7 standalone stores) and 9 self-managed franchised retail outlets, in the Chinese mainland, which did not take into account distributors or multiple layers of franchisees. The total number of the Group's retail outlets decreased from 109 as at 31 December 2025 to 102 as at 30 June 2026.

Gross profit margin

Gross profit margin for the Reporting Period amounted to approximately 33.3%, remaining at a comparable level to approximately 33.0% for the Corresponding Period. The gross profit margin of the ODM products segment was approximately 33.1%, representing a decrease of approximately 1.3% as compared to approximately 34.4% for the corresponding period of last year. This was mainly attributable to the Group's proactive adjustment to reduce order margins to secure more orders in response to the impact of tariff adjustments. The gross profit margin of the brand products segment was approximately 34.0%, representing an increase of approximately 8.8% from approximately 25.2% for the corresponding period of last year. This was primarily due to a decrease of approximately RMB2 million in the provision for decline in the value of inventories as compared to the previous year.

Other Income and Gains

Other income and gains for the Reporting Period was approximately RMB26.7 million, representing an increase of approximately RMB15.1 million, or approximately 130.2%, as compared to approximately RMB11.6 million for the corresponding period of last year. The increase was primarily due to the recognition of gains related to the Disposal of approximately RMB15.3 million (after taking into account the loss from reclassification of exchange differences previously recognised in other comprehensive income to profit or loss) during the Reporting Period, details of which are set out in note 14 to the financial statements.

Selling and Distribution Expenses

Selling and distribution expenses for the Reporting Period was approximately RMB18.2 million, representing a decrease of approximately RMB2.6 million, or approximately 12.5%, as compared to approximately RMB20.8 million for the Corresponding Period, primarily due to the decrease in employee costs and mall commissions, mainly resulting from the reduction in the number of brand retail stores.

Administrative and Other Expenses

Administrative and other expenses for the Reporting Period were approximately RMB26.2 million, representing an increase of approximately RMB2.1 million, or approximately 8.7%, as compared to approximately RMB24.1 million for the Corresponding Period. The increase was mainly due to intermediary expenses of approximately RMB2.4 million incurred in relation to the Disposal during the Reporting Period.

Finance Costs

Finance costs for the Reporting Period were approximately RMB4.5 million, representing an increase of approximately RMB1.3 million, or approximately 40.6%, from approximately RMB3.2 million for the Corresponding Period. The increase was mainly due to the addition of new bank loans of approximately RMB55.8 million during the Reporting Period. Interest-bearing bank and other borrowings of approximately RMB275.3 million were separated from the Group upon completion of the Disposal on 30 June 2026. As of 30 June 2026, the Group's Interest-bearing bank and other borrowings amounted to approximately RMB3.2 million.

Income tax expense

Income tax expense for the Reporting Period were approximately RMB0.3 million, which was broadly consistent with approximately RMB0.2 million for the Corresponding Period.

Profit attributable to owners of the Company

As a result of the factors mentioned above, the Group recorded a profit attributable to owners of the Company of approximately RMB9.9 million for the Reporting Period, representing an increase of approximately RMB8.7 million, or approximately 725%, as compared to approximately RMB1.2 million for the Corresponding Period.

Production Capacity

The Group produced using its own equipment, workers and techniques and applying the order-oriented production strategy to ensure that production is scheduled at the right time to meet customer demands. As of the date of this announcement, the Group leased the plant located in Beiyuan Street, Yiwu City, Zhejiang Province for production, which is sufficient to meet the current capacity requirements for existing orders.

Human Resources

The number of full-time employees of the Group decreased to 563 as at 30 June 2026 (31 December 2025: 709). The decrease was primarily due to the fact that some employees no longer belonged to the Group after the completion of the disposal. The employee benefit expense (excluding directors' and chief executive's remunerations) for the Reporting Period was approximately RMB34.7 million, which was broadly consistent with approximately RMB34.2 million for the Corresponding Period. The Group participates in retirement insurance, medicare, unemployment insurance and housing funds according to the applicable laws and regulations of the PRC for its employees in the PRC and makes contributions to the Mandatory Provident Fund Scheme of Hong Kong for its employees in Hong Kong. The Group remunerates its employees in accordance with their work performance and experience. The remuneration packages are subject to review on a regular basis.

OUTLOOK

Starting from July 2026, the ODM business became the sole business of the Group and will serve as a core component of the Group's long-term strategy. This enables the Group to concentrate resources to drive the development of the ODM business. However, amid the profound adjustment of the global economic landscape, the Group's ODM business is facing an increasingly complex and volatile internal and external operating environment:

i) the global economy is confronted with multiple challenges including rising energy prices, intensifying inflationary pressure, and tightening monetary policy expectations, with the growth outlook tending to weaken;

ii) the shadow of trade protectionism looms large;

iii) end-consumer demand for apparel in various countries is experiencing sluggish growth; and

iv) competition among domestic and international enterprises in the ODM industry is further intensifying.

After comprehensive analysis of the current operating conditions and available resources, the management of the Group has set the operating strategy for the ODM business as "stabilise first, then soar". In the second half of 2026, in order to achieve stability for the ODM business amid an adverse environment, the Group will, on the one hand, continue to consolidate its advantages of stable production cycles and reliable product quality, and on the other hand, deepen the following operating initiatives:

1. continue to increase R&D investment and accelerate the development speed of new products;

2. maintain long-term and stable overseas processing and production chains to cope with tariff fluctuations and trade conflicts; and

3. expand into multiple sales channels in a targeted manner to enhance resilience against market volatility.

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cash flow and banking facilities provided by its principal bankers. As at 30 June 2026, the Group had cash and cash equivalents, which are mostly denominated in Renminbi, U.S. dollars and Hong Kong dollars currency unit, of approximately RMB30.2 million (31 December 2025: approximately RMB20.4 million). The Interest-bearing bank and other borrowings as at 30 June 2026 were approximately RMB3.2 million (31 December 2025: approximately RMB227.5 million). The decrease was mainly due to the removal of Interest-bearing bank and other borrowings of approximately RMB275.3 million from the Group following the completion of the disposal. The Group's gearing ratio as at 30 June 2026, calculated based on net debts to the total capital and net debts, was approximately 3.93% (as at 31 December 2025: approximately 49.02%). The Group recorded net current assets of approximately RMB81.8 million as of 30 June 2026. During the Reporting Period, no financial instruments had been used for hedging purpose.

FOREIGN EXCHANGE RISK

The monetary assets and liabilities and business transaction of the Group are mainly carried out and conducted in Renminbi, U.S. dollars and Hong Kong dollars. The Group manages its foreign exchange risk by performing regular reviews of the 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 Reporting Period, no forward foreign exchange or hedging contracts had been entered into by the Group. The Group will continue to evaluate the Group's foreign currency exposure and take actions as appropriate.

MATERIAL ACQUISITIONS AND DISPOSALS

On 10 April 2026, the Company entered into a share purchase agreement with Hong Kong Bo De Trade Co., Limited and Mr. Jin Guojun ("**Mr. Jin**") (as guarantor) (the "**SPA**") in relation to the sale and purchase of the entire issued capital of Bonny HK at a cash consideration of RMB241,700,000. The Disposal constitutes an indirect disposal of the Property which is owned by the Bonny HK Group. As the Purchaser is indirectly wholly-owned by Mr. Jin Bo, son of Mr. Jin, and Mr. Jin (as guarantor under the SPA) is the chairman and executive Director of the Company, 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 above Disposal was approved by the extraordinary general meeting of the Company on 26 May 2026 and was completed on 30 June 2026.

Save as disclosed above, the Group did not make material acquisitions or disposals of subsidiaries, associates and joint ventures for the Reporting Period.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group had no capital commitments (as at 31 December 2025: RMB9.1 million).

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any significant contingent liabilities.

PLEDGE OF ASSETS

As at 30 June 2026, the Group has pledged deposit of approximately RMB6.8 million (as at 31 December 2025: nil), which is the security deposit for issuance of bills.

THE USE OF PROCEEDS OF RIGHTS ISSUE

Reference is made to the announcements of the Company dated 19 June 2024, 12 July 2024, 9 September 2024 and the prospectus of the Company dated 16 August 2024 (the "**Prospectus**") in relation to the Rights Issue. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus. On 10 September 2024, the Company completed the Rights Issue at the Subscription Price of HK$0.245 per Rights Share on the basis of one (1) Rights Share for every four (4) existing Shares held by the Qualifying Shareholders at the close of business on the Record Date. Upon completion of the Rights Issue on 10 September 2024, a total of 271,123,710 Rights Shares were issued in accordance with the terms of the Rights Issue, resulting in net proceeds (net of expenses) of approximately HK$65.0 million (the "**Net Proceeds of the Rights Issue**").

Details of the actual use of the Net Proceeds of the Rights Issue are as follows:

	Allocation of the Net Proceeds of the Rights Issue *HK$ million*	**Utilised Net Proceeds of the Rights Issue as at 30 June 2026** *HK$ million*	**Unutilised Net Proceeds of the Rights Issue as at 30 June 2026** *HK$ million*
General working capital	54.1	54.1	0.0
Purchase of equipment	7.4	7.2	0.2
New Product Research & Development	3.5	3.5	0.0
Total	65.0	64.8	0.2

SUBSEQUENT EVENT

As at 30 June 2026 and up to the date of this announcement, the Group had no significant event occurred which would materially affect the Group's operating and financial performance.

EMPLOYEES AND REMUNERATION POLICY

The Group's remuneration policy is to compensate its employees based on their performance, qualifications and the Group's operational results. The total remuneration of employees includes basic salaries and performance bonus. Directors and senior management of the 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 Group. The Group also reimburses its Directors and senior management for expenses which are necessarily and reasonably incurred for the provision of services to the Group or executing their functions in relation to the operations of the Group. The 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 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 participants. The employees of the Company's subsidiaries which operate in the PRC are required to participate in a central pension scheme operated by the local municipal government (the "**Central Pension Scheme**"), which is also considered as a defined contribution plan and these subsidiaries are required to contribute certain percentage of employees' salaries to the Central Pension Scheme. The Group has no further payment obligations once the contributions have been paid. All contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees and when they fall due under the relevant regulations. No forfeited contributions could be used by employer to reduce the existing level of contributions.

SIGNIFICANT INVESTMENTS HELD

As at 30 June 2026, the Group did not hold any significant investment in equity interest in any other company.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2026, the Group did not have other future plans for material investments and capital assets.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed securities.

CORPORATE GOVERNANCE MEASURES

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of Shareholders and to enhance corporate value and accountability. The Board has adopted the principles and the code provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") to ensure that the Company's business activities and decision making processes are regulated in a proper and prudent manner.The Company had complied with all the applicable code provisions under the CG Code during the Reporting Period, save and except for deviation from code provision C.2.1 of the CG Code.

Mr. Jin Guojun ("**Mr. Jin**") is the chairman of the Board (the "**Chairman**") and chief executive officer of the Company. Although this deviates from the practice under code provision C.2.1 of the CG Code, where it provides that the two positions should be held by two different individuals, as Mr. Jin has considerable experience in the enterprise operation and management of the Company, the Board believes that it is in the best interests of the Company and its Shareholders as a whole to continue to have Mr. Jin as Chairman so that it can benefit from his experience and capability in leading the Board in the long-term development of the Company. From a corporate governance point of view, the decisions of the Board are made collectively by way of voting and therefore the Chairman should not be able to monopolise the decision-making of the Board. The Board considers that the balance of power between the Board and management can still be maintained under the current structure. The Board shall review the structure from time to time to ensure appropriate action be taken should the need arise.

Save as disclosed above, during the Reporting Period, the Company has complied with all the applicable code provisions of the CG Code.

AUDIT COMMITTEE

As at the date of this announcement, the audit committee of the Company (the "**Audit Committee**") currently consists of three independent non-executive Directors, being Mr. Chan Yin Tsung, Mr. Chow Chi Hang Tony and Dr. Wei Zhongzhe. Mr. Chan Yin Tsung currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the Group's unaudited interim condensed consolidated financial information for the six months ended 30 June 2026 and the accounting principles and practices adopted and discussed auditing, internal control and financial reporting matters. The Audit Committee is of the view that the applicable accounting standards and requirements have been complied with by the Company and that appropriate disclosure have been made.

REMUNERATION COMMITTEE

As at the date of this announcement, the remuneration committee of the Company ("**Remuneration Committee**") currently consists of two independent non-executive Directors, namely Mr. Chan Yin Tsung and Dr. Wei Zhongzhe and one executive Director, namely Mr. Jin Guojun. Dr. Wei Zhongzhe is the chairman of the Remuneration Committee. The primary responsibilities of the Remuneration Committee include, among others, evaluating the performance and making recommendation on the remuneration package of the Directors and senior management, and evaluating and making recommendation on the share award plan of the Company.

NOMINATION COMMITTEE

As at the date of this announcement, the nomination committee of the Company (the "**Nomination Committee**") currently consists of one executive Director, namely Mr. Jin Guojun, one non-executive Director, namely Ms. Gong Lijin, and three independent non-executive Directors, namely Mr. Chan Yin Tsung, Mr. Chow Chi Hang Tony and Dr. Wei Zhongzhe. Mr. Jin Guojun is the chairman of the Nomination Committee. The primary responsibilities of the Nomination Committee include, among others, considering and recommending to the Board suitably qualified persons to become the member of the Board and reviewing the structure, size and composition of the Board on a regular basis and as required.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard as set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 to the Listing Rules.

Upon specific enquiry, all Directors have confirmed that they have complied with the Model Code during the Reporting Period. In addition, the Company is not aware of any non-compliance of the Model Code by the senior management of the Company during the Reporting Period.

INTERIM DIVIDEND

The Board did not declare the payment of an interim dividend for the Reporting Period (30 June 2025: nil).

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement of the Group for the Reporting Period is available for viewing on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.bonnychina.com.

An interim report of the Group for the Reporting Period, containing all the information required by the Listing Rules, will be despatched to the Shareholders and published on the above websites in due course.

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

Hong Kong, 27 August 2026

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