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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of Bonny International Holding Limited (the "**Company**") is pleased to announce the results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2024 (the "**Reporting Period**"), together with the comparative figures for the year ended 31 December 2023 (the "**Corresponding Period**"), as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2024

	Notes	**2024** *RMB'000*	2023 *RMB'000*
REVENUE	4	**266,737**	177,671
Cost of sales		**(187,873)**	(136,003)
Gross profit		**78,864**	41,668
Other income and gains	4	**20,750**	18,742
Selling and distribution expenses		**(41,502)**	(40,159)
Administrative expenses		**(30,966)**	(28,219)
Impairment losses on financial assets, net		**(967)**	(1,252)
Other expenses		**(19,757)**	(19,467)
Fair value changes in investment properties		**(16,080)**	(5,550)
Finance costs		**(7,007)**	(5,987)

	Notes	**2024** **RMB'000**	2023 RMB'000
LOSS BEFORE TAX	5	**(16,665)**	(40,224)
Income tax expense	6	**(68)**	(4,986)
LOSS FOR THE YEAR		**(16,733)**	(45,210)
Attributable to:			
Owners of the parent		**(16,731)**	(45,271)
Non-controlling interests		**(2)**	61
		(16,733)	(45,210)
LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic and diluted		**RMB(1.3 cents)**	RMB(3.8 cents)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	RMB'000	RMB'000
LOSS FOR THE YEAR	**(16,733)**	(45,210)
OTHER COMPREHENSIVE INCOME		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences:		
Exchange differences on translation from functional currency to presentation currency	**(7,257)**	(4,321)
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	**7,698**	4,447
Gains on property revaluation	**—**	79,788
Income tax effect	**—**	(11,968)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**7,698**	72,267
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**441**	67,946
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(16,292)**	22,736
Attributable to:		
Owners of the parent	**(16,290)**	22,675
Non-controlling interests	**(2)**	61
	(16,292)	22,736

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NON-CURRENT ASSETS			
Property, plant and equipment	9	**192,466**	205,871
Advance payments for property, plant and equipment		**999**	176
Investment properties	10	**268,103**	228,070
Right-of-use assets		**27,970**	24,851
Intangible assets		**142**	299
Equity investments designated at fair value through other comprehensive income		**150**	150
Total non-current assets		**489,830**	459,417
CURRENT ASSETS			
Inventories		**91,593**	83,367
Trade receivables	11	**45,720**	33,783
Prepayments, other receivables and other assets	12	**9,914**	7,817
Cash and cash equivalents		**7,667**	3,649
Due from a related party		**80**	49
Total current assets		**154,974**	128,665
CURRENT LIABILITIES			
Trade payables	13	**32,318**	30,740
Other payables and accruals	14	**65,389**	60,168
Interest-bearing bank and other borrowings	15	**111,933**	91,032
Tax payable		**265**	270
Due to related parties		**4,830**	5,181
Total current liabilities		**214,735**	187,391

	Notes	**2024**	2023
		RMB'000	*RMB'000*
NET CURRENT LIABILITIES		**(59,761)**	(58,726)
TOTAL ASSETS LESS CURRENT LIABILITIES		**430,069**	400,691
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	15	**55,944**	42,555
Deferred tax liabilities	16	**18,589**	18,589
Due to a related party		**—**	26,870
Total non-current liabilities		**74,533**	88,014
Net assets		**355,536**	312,677
EQUITY			
Equity attributable to owners of the parent			
Share capital	17	**100,114**	80,827
Share premium		**245,106**	205,242
Other reserves		**9,193**	25,483
		354,413	311,552
Non-controlling interests		**1,123**	1,125
Total equity		**355,536**	312,677

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company incorporated with limited liability in the Cayman Islands on 19 July 2017. The registered office address of the Company is 4th Floor Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Group was principally involved in the manufacture and sale of brassieres, functional sportswear, panties and thermal underwear in the People's Republic of China (the "PRC"). In the opinion of the directors, the ultimate controlling shareholder of the Group is Mr. Jin Guojun.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and equity investments which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

Going concern assumption

As at 31 December 2024, the Group's net current liabilities amounted to approximately RMB59,761,000, which comprised current assets of approximately RMB154,974,000 and current liabilities of approximately RMB214,735,000. The liquidity of the 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 financial statements, the directors of the Company have considered the Group's liquidity and believe that adequate sources of funding are available to fulfil the Group's debt obligations and capital expenditure requirements.

As at 31 December 2024, the Group had total banking facilities of RMB210,000,000 with a final maturity date of 1 December 2029 to meet the debt obligations and capital expenditure requirements and had unutilised banking facilities of RMB49,261,000. Subsequent to the end of the reporting period, the Group drew down additional bank loans of RMB30,240,000 under the existing banking facilities. As at the approval date of these financial statements, the Group had unutilised banking facilities of RMB19,021,000. The Group's short-term bank loans can be renewed upon its maturity within the banking facilities. The Group has not experienced any significant difficulties in renewing its short-term borrowings upon their maturities and there is no indication that the banks will not renew the existing borrowings if the Group applies for the renewal. The Group is also continuously taking great effort to develop new customers and secure new orders, improve its working capital and reduce capital expenditure.

The directors of the Company have reviewed the Group's cash flow forecast prepared by management which covers a period of twelve months from the end of the reporting period. They are of the opinion that, taking into account the above-mentioned measures, the 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.

Accordingly, the consolidated financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and the exchange fluctuation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "2020 Amendments")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	*Supplier Finance Arrangements*

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRSs, if applicable, when they become effective.

HKFRS 18	*Presentation and Disclosure in Financial Statements*[3]
HKFRS 19	*Subsidiaries without Public Accountability: Disclosures*[3]
Amendments to HKFRS 9 and HKFRS 7	*Amendments to the Classification and Measurement of Financial Instruments*[2]
Amendments to HKFRS 9 and HKFRS 7	*Contracts Referencing Nature-dependent Electricity*[2]
Amendments to HKFRS 10 and HKAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKAS 21	*Lack of Exchangeability*[1]
Annual Improvements to HKFRS Accounting Standards – Volume 11	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7[2]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual/reporting periods beginning on or after 1 January 2027
4 No mandatory effective date yet determined but available for adoption

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has two reportable segments as follows:

(a) the Original Design Manufacture ("ODM") products segment engages in the manufacture and sale of seamless underwear or other ODM products for overseas customers or their agents; and

(b) the brand products segment engages in the manufacture and sale of ladies' brassieres, panties, thermal underwear with the Bonny brand for the domestic market.

The Group's chief operating decision maker is the Chief Executive Officer of the Company, who reviews revenue from and results of the major type of products sold for the purpose of resource allocation and assessment of segment performance. Segment result is evaluated based on gross profit less selling expenses allocated. No analysis of the Group's assets and liabilities by operating segment is disclosed as it is not regularly provided to the chief operating decision maker for review.

Year ended 31 December 2024	**ODM products**	**Brand products**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Segment revenue (note 4)			
Sales to external customers	**230,838**	**35,899**	**266,737**
Segment results	**55,797**	**(18,435)**	**37,362**
Other income and gains			**20,750**
Corporate and other unallocated expenses			**(67,770)**
Finance costs			**(7,007)**
Loss before tax			**(16,665)**

Year ended 31 December 2024	**ODM products**	**Brand products**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Other segment information			
(Reversal of impairment losses)/impairment losses recognised in the statement of profit or loss, net	**1,839**	**(3,794)**	**(1,955)**
Impairment of property, plant and equipment	**—**	**350**	**350**
Depreciation and amortisation	**14,488**	**952**	**15,440**
Capital expenditure*	**5,654**	**21**	**5,675**

Year ended 31 December 2023	ODM products	Brand products	Total
	RMB'000	*RMB'000*	*RMB'000*
Segment revenue (note 4)			
Sales to external customers	134,984	42,687	177,671
Segment results	27,194	(25,685)	1,509
Other income and gains			18,742
Corporate and other unallocated expenses			(54,488)
Finance costs			(5,987)
Loss before tax			(40,224)

Year ended 31 December 2023	ODM products	Brand products	Total
	RMB'000	*RMB'000*	*RMB'000*
Other segment information			
Impairment losses recognised in the statement of profit or loss, net	844	2,063	2,907
Impairment of property, plant and equipment	902	1,069	1,971
Depreciation and amortisation	15,549	756	16,305
Capital expenditure*	16,261	24	16,285

* Capital expenditure consists of additions to property, plant and equipment.

Geographical information

(a) Revenue from external customers

	2024	2023
	RMB'000	*RMB'000*
United States of America	**84,568**	39,613
Mainland China	**81,524**	91,440
Germany	**48,388**	16,712
Canada	**18,616**	2,995
Netherlands	**12,633**	12,702
Mexico	**5,632**	6,026
Britain	**4,589**	2,583
Australia	**4,438**	2,070
Korea	**4,345**	3,427
Other countries/regions	**2,004**	103
Total revenue	**266,737**	177,671

The revenue information above is based on the shipment destinations.

(b) Non-current assets

All non-current assets of the Group are located in Mainland China.

Information about major customers

Revenue derived from sales of goods to each major customer which accounted for 10% or more of the Group's revenue during the year is set out below:

	2024	2023
	RMB'000	*RMB'000*
Customer 1	**97,508**	41,803
Customer 2	**43,060**	N/A*
Customer 3	**N/A***	17,436
Total	**140,568**	59,239

* The corresponding revenue of the customer is not disclosed as the revenue individually did not account for 10% or more of the Group's revenue during the year.

The revenue of the above three customers is derived from sales of ODM products.

4. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	2024	2023
	RMB'000	*RMB'000*
Revenue from contracts with customers	266,737	177,671

Revenue from contracts with customers

(a) Disaggregated revenue information

	2024	2023
	RMB'000	*RMB'000*
Timing of revenue recognition		
Goods transferred at a point in time	**266,737**	177,671

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2024	2023
	RMB'000	*RMB'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of goods	**3,687**	15,320

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

The performance obligations are satisfied upon delivery, which occurs when the goods are shipped on aboard to the overseas ODM customers, or when the goods are accepted by the PRC ODM customers and franchised outlets or by the consumers in self-operated stores and counters and E-commerce platforms.

The payments are generally due within one to six months from delivery while some contracts with ODM customers are settled by letters of credit and some contracts require advances as deposits to transfer goods.

Some customers from branded sales are entitled to loyalty points which results in allocation of a portion of the transaction price to the loyalty points. Revenue is recognised when the points are redeemed. Some customers from branded sales are provided with a right of return usually in seven or fifteen days. The right of return assets and refund liabilities arising from rights of return as at the end of each reporting period was insignificant and no right of return assets and refund liabilities were recognised.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2024 are expected to be recognised as revenue within one year. As permitted under HKFRS 15, the transaction prices allocated to these unsatisfied contracts are not disclosed.

An analysis of other income and gains is as follows:

	2024	2023
	RMB'000	*RMB'000*
Other income		
Bank interest income	**100**	108
Government grants (a)	**1,650**	3,829
Gross rental income from investment property operating leases	**17,326**	10,593
Additional deduction of value added tax	**138**	386
Others	**416**	156
Total other income	**19,630**	15,072
Gains		
Foreign exchange differences, net	**1,120**	—
Gain from mediation (b)	**—**	3,459
Early termination of leases	**—**	211
Total gains	**1,120**	3,670
Total other income and gains	**20,750**	18,742

(a) The government grants mainly represent incentives awarded by the local governments to support the Group's operation in Yiwu City, the PRC. There were no unfulfilled conditions or contingencies attached to these government grants.

(b) The amount represents a gain from the settlement of a legal claim with a customer. The Group entered into a sales agreement with a customer in 2020. Prepayments and interest on occupied prepayments of RMB21,159,000 in total were disputable between the Group and such customer. In 2023, as agreed by both parties, the customer waived the payment of RMB3,459,000 from the Group, resulting in a gain of RMB3,459,000.

5. LOSS BEFORE TAX

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

	Notes	2024 RMB'000	2023 RMB'000
Cost of inventories sold*		**187,873**	136,003
Depreciation of property, plant and equipment	9	**10,752**	11,779
Depreciation of right-of-use assets		**4,531**	4,331
Amortisation of intangible assets**		**157**	195
Research and development costs***		**18,325**	17,123
Lease payments not included in the measurement of lease liabilities		**435**	429
Government grants		**(1,650)**	(3,829)
Auditor's remuneration		**1,766**	1,659
Outsourced manufacturers		**21,273**	3,777
Employee benefit expense (excluding directors' and chief executive's remuneration):			
Wages and salaries		**74,168**	53,696
Pension scheme contributions****		**6,171**	5,583
Staff welfare expenses		**862**	115
Total		**81,201**	59,394
Concession fees		**6,139**	6,620
Foreign exchange differences, net		**(1,120)**	228
(Reversal of impairment)/impairment of inventories, net		**(2,922)**	1,655
Impairment of trade receivables, net	11	**762**	591
Impairment of other receivables and prepayments	12	**205**	661
Impairment of property, plant and equipment*****	9	**350**	1,971
Changes in fair value of investment properties	10	**16,080**	5,550
Gross rental income from investment property operating leases	4	**(17,326)**	(10,593)
Bank interest income	4	**(100)**	(108)
Loss on disposal of items of property, plant and equipment		**833**	30

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

* The cost of inventories sold includes RMB46,634,000 (2023: RMB35,338,000) 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 year ended 31 December 2024, which are also included in the respective total amounts disclosed above for each type of expenses.

** The amortisation of intangible assets is included in "Administrative expenses" in the consolidated statement of profit or loss.

*** The research and development costs include RMB11,501,000 (2023: RMB11,269,000) relating to staff cost, depreciation of property, plant and equipment and amortisation of intangible assets for the year ended 31 December 2024, which are also included in the respective total amounts disclosed above for each type of expenses.

**** There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

***** The impairment of property, plant and equipment is included in "Other expenses" in the consolidated statement of profit or loss.

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% (2023:16.5%) on the estimated assessable profits arising in Hong Kong during the year. A subsidiary of the Group is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

The provision for Mainland China 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 Mainland China which are granted tax concession and are taxed at preferential tax rates.

Zhejiang Bonny is qualified as a High and New Technology Enterprise and was entitled to a preferential income tax rate of 15% (2023:15%) during the year.

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

	2024	2023
	RMB'000	*RMB'000*
Current		
Charge for the year	**68**	90
Deferred (note 16)	**—**	4,896
Total tax charge for the year	**68**	4,986

A reconciliation of the tax expense applicable to loss before tax at the statutory tax rates for the jurisdiction where the operations of the Group are substantially based to the tax charge at the effective tax rate is as follows:

	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Loss before tax	**(16,665)**		(40,224)	
Tax at the statutory tax rate	**(4,166)**	**25.0**	(10,056)	25.0
Preferential income tax rate applicable to a subsidiary	**1,195**	**(7.2)**	3,338	(8.3)
Additional deductible allowance for research and development expenses	**(2,631)**	**15.8**	(2,646)	6.6
Expenses not deductible for tax	**243**	**(1.5)**	115	(0.3)
Reversal of temporary differences recognised in prior years	**—**	**—**	4,896	(12.2)
Temporary differences not recognised	**(317)**	**1.9**	(312)	0.8
Tax losses not recognised	**5,744**	**(34.5)**	9,651	(24.0)
Tax charge at the Group's effective rate	**68**	**(0.5)**	4,986	(12.4)

7. DIVIDENDS

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

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

The calculation of the basic loss per share amounts is based on the loss for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,310,454,240 (2023: 1,200,000,000) outstanding during the year, as adjusted to reflect the rights issue during the year.

The Group had no potentially dilutive ordinary shares outstanding during the years ended 31 December 2024 and 2023.

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

	2024	2023
	RMB'000	*RMB'000*
Losses		
Loss attributable to ordinary equity holders of the parent, used in the basic loss per share calculation	**(16,731)**	(45,271)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares outstanding during the year	**1,310,454,240**	1,200,000,000

9. PROPERTY, PLANT AND EQUIPMENT

	Buildings *RMB'000*	Leasehold improvements *RMB'000*	Machinery and equipment *RMB'000*	Motor vehicles *RMB'000*	Computer and office equipment *RMB'000*	Construction in progress *RMB'000*	Total *RMB'000*
31 December 2024							
At 1 January 2024:							
Cost	200,512	7,893	161,590	2,120	9,440	18	381,573
Accumulated depreciation	(20,614)	(6,106)	(119,211)	(1,583)	(6,517)	—	(154,031)
Impairment	—	(1,002)	(19,863)	(86)	(720)	—	(21,671)
Net carrying amount	179,898	785	22,516	451	2,203	18	205,871
At 1 January 2024, net of accumulated depreciation and impairment	179,898	785	22,516	451	2,203	18	205,871
Additions	—	561	1,416	17	341	357	2,692
Transfers	375	—	—	—	—	(375)	—
Disposals	—	—	(4,902)	—	(93)	—	(4,995)
Depreciation provided during the year (note 5)	(7,423)	(211)	(2,472)	(106)	(540)	—	(10,752)
Impairment (note 5)	—	(350)	—	—	—	—	(350)
At 31 December 2024, net of accumulated depreciation and impairment	172,850	785	16,558	362	1,911	—	192,466
At 31 December 2024:							
Cost	200,887	8,454	81,270	2,137	9,113	—	301,861
Accumulated depreciation	(28,037)	(6,317)	(63,302)	(1,689)	(6,523)	—	(105,868)
Impairment	—	(1,352)	(1,410)	(86)	(679)	—	(3,527)
Net carrying amount	172,850	785	16,558	362	1,911	—	192,466

	Buildings	Leasehold improve-ments	Machinery and equipment	Motor vehicles	Computer and office equipment	Construction in progress	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
31 December 2023							
At 1 January 2023:							
Cost	242,374	17,196	162,736	2,120	8,711	64,800	497,937
Accumulated depreciation	(19,339)	(15,790)	(117,638)	(1,335)	(6,158)	—	(160,260)
Impairment	—	—	(19,099)	(68)	(555)	—	(19,722)
Net carrying amount	223,035	1,406	25,999	717	1,998	64,800	317,955
At 1 January 2023, net of accumulated depreciation and impairment	223,035	1,406	25,999	717	1,998	64,800	317,955
Additions	—	941	171	—	865	6,312	8,289
Transfer to investment properties (note 10)	(105,432)	—	—	—	—	—	(105,432)
Transfers	71,094	—	—	—	—	(71,094)	—
Disposals	(265)	—	(907)	—	(19)	—	(1,191)
Depreciation provided during the year (note 5)	(8,534)	(560)	(1,961)	(248)	(476)	—	(11,779)
Impairment (note 5)	—	(1,002)	(786)	(18)	(165)	—	(1,971)
At 31 December 2023, net of accumulated depreciation and impairment	179,898	785	22,516	451	2,203	18	205,871
At 31 December 2023:							
Cost	200,512	7,893	161,590	2,120	9,440	18	381,573
Accumulated depreciation	(20,614)	(6,106)	(119,211)	(1,583)	(6,517)	—	(154,031)
Impairment	—	(1,002)	(19,863)	(86)	(720)	—	(21,671)
Net carrying amount	179,898	785	22,516	451	2,203	18	205,871

At 31 December 2024, certain of the Group's buildings and machinery and equipment with a net carrying amount of approximately RMB171,164,000 (2023: RMB176,855,000) were pledged to secure general banking facilities granted to the Group (note 15).

As the Group operated a loss, the Group performed impairment test for the sale of traditional business products, i.e., brassieres, functional sportswear, panties and thermal underwear, including the ODM products CGU and the brand products CGU, whose assets consists of buildings, machines and other long-lived assets. Among the assets of the ODM products CGU, the recoverable amounts were higher than the carrying amounts and therefore no impairment loss was recognised during the year ended 31 December 2024 (2023: RMB902,000). Among the assets of the brand products CGU, the recoverable amounts were lower than their carrying amounts and therefore a provision for impairment of RMB350,000 (2023: RMB1,069,000) was provided during the year ended 31 December 2024. The Group evaluated recoverable amount of each CGU which has been determined based on a value in use calculation and allocated the impairment loss to each individual asset except for those assets with the estimated fair value less cost of disposal amounts higher than their carrying amounts. The value in use calculations of the ODM products CGU and the brand products CGU were using cash flow projections based on financial budgets covering a three-year period approved by senior management and the discount rate applied to the cash flow projections is 12%.

The fair value of the assets of the CGUs was measured by using significant unobservable inputs.

10. INVESTMENT PROPERTIES

	2024	2023
	RMB'000	*RMB'000*
Carrying amount at 1 January	**228,070**	48,400
Additions (construction in progress)	**56,113**	—
Transfer from property, plant and equipment (note 9)	**—**	105,432
Gain on revaluation upon reclassification to investment properties	**—**	79,788
Net loss from a fair value adjustment	**(16,080)**	(5,550)
Carrying amount at 31 December	**268,103**	228,070

The Group's investment properties consist of industrial properties in Mainland China. The addition was the Group's own-occupied properties which were transferred to investment properties in June 2023 and the fair value amounting to RMB185,220,000 was based on valuations performed by AVISTA Valuation Advisory Limited ("AVISTA"), an independent firm of professionally qualified valuers.

At 31 December 2024, the Group's investment properties with a carrying amount of RMB268,103,000 (2023: RMB228,070,000) were pledged to secure general banking facilities granted to the Group (note 15).

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

	Fair value measurement as at 31 December 2024 using			
	Quoted prices in active markets (Level 1)	**Significant observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Recurring fair value measurement for:				
Industrial properties	**—**	**—**	**211,990**	**211,990**

	Fair value measurement as at 31 December 2023 using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement for:				
Industrial properties	—	—	228,070	228,070

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2023: nil).

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	2024	2023
	RMB'000	*RMB'000*
Carrying amount at 1 January	**228,070**	48,400
Transfer from property, plant and equipment	**—**	105,432
Gain on revaluation upon reclassification to investment properties	**—**	79,788
Net loss from a fair value adjustment recognised in profit or loss	**(16,080)**	(5,550)
Carrying amount at 31 December	**211,990**	228,070

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

As at 31 December 2024:

	Valuation techniques	**Significant unobservable inputs**	**Range or weighted average**
1st floor of industrial properties	**Income method**	**Prevailing market rent**	**RMB39 per square metre per month**
		Term yield	**7.25%**
		Reversionary yield	**7.5%**
Other floors of industrial properties	**Income method**	**Prevailing market rent**	**RMB23 per square metre per month**
		Term yield	**7.25%**
		Reversionary yield	**7.5%**

As at 31 December 2023:

	Valuation techniques	Significant unobservable inputs	Range or weighted average
1st floor of industrial properties	Income method	Prevailing market rent	RMB41 per square metre per month
		Term yield	7.0%
		Reversionary yield	7.5%
Other floors of industrial properties	Income method	Prevailing market rent	RMB25 per square metre per month
		Term yield	7.0%
		Reversionary yield	7.5%

The income method measures the value of the properties by taking into account the rental income derived from the existing leases with due allowance for the reversionary income potential of the leases, which are then capitalised into the value at appropriate rates.

A significant increase (decrease) in the estimated rental value would result in a significant increase (decrease) in the fair value of the investment properties. A significant increase (decrease) in the term yield and the reversionary yield in isolation would result in a significant decrease (increase) in the fair value of the investment properties.

11. TRADE RECEIVABLES

	2024	2023
	RMB'000	*RMB'000*
Trade receivables	**48,188**	35,658
Impairment	**(2,468)**	(1,875)
Net carrying amount	**45,720**	33,783

The Group's trading terms with its customers are mainly on credit. The credit period is generally one month to three months, extending up to six months for major customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

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:

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**37,018**	32,228
3 to 6 months	**1,888**	442
6 to 12 months	**6,166**	751
1 to 2 years	**569**	254
2 to 3 years	**79**	108
Total	**45,720**	33,783

The movements in loss allowance for impairment of trade receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**1,875**	1,732
Impairment losses, net (note 5)	**762**	591
Amount written off as uncollectible	**(169)**	(449)
Exchange realignment	**—**	1
At end of year	**2,468**	1,875

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The Group has applied the simplified approach to provide for expected credit losses under HKFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. The Group overall considers the credit risk characteristics and the days past due of each group of trade receivables to measure the expected credit losses. The Group classifies the trade receivables into three groups according to the credit risk characteristics. The Group considers the historical loss rate and adjusts for forward looking macroeconomic data in calculating the expected credit loss rate.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	As at 31 December 2024		
	Gross carrying amount *RMB'000*	**Expected credit loss rate**	**Expected credit losses** *RMB'000*
ODM customers and E-commerce platform			
Within 1 year	**38,497**	**0.15%**	**56**
1 to 2 years	**116**	**35.34%**	**41**
Self-operated stores and counters and franchised outlets			
Within 1 year	**5,780**	**1.99%**	**115**
1 to 2 years	**727**	**32.05%**	**233**
2 to 3 years	**157**	**50.32%**	**79**
Over 3 years	**221**	**100.00%**	**221**
Others			
Within 1 year	**977**	**1.02%**	**10**
Over 3 years	**725**	**100.00%**	**725**
	47,200		**1,480**
Individually identified as high expected credit loss rate while the ageing is less than three years	**988**	**100.00%**	**988**
	48,188		**2,468**

	As at 31 December 2023		
	Gross carrying amount *RMB'000*	Expected credit loss rate	Expected credit losses *RMB'000*
ODM customers and E-commerce platform			
Within 1 year	26,013	0.52%	135
1 to 2 years	144	49.31%	71
2 to 3 years	59	83.05%	49
Over 3 years	173	100.00%	173
Self-operated stores and counters and franchised outlets			
Within 1 year	6,780	1.00%	68
1 to 2 years	217	22.12%	48
2 to 3 years	149	40.94%	61
Over 3 years	87	100.00%	87
Others			
Within 1 year	875	5.03%	44
1 to 2 years	19	36.84%	7
2 to 3 years	26	61.54%	16
Over 3 years	699	100.00%	699
	35,241		1,458
Individually identified as high expected credit loss rate while the ageing is less than three years	417	100.00%	417
	35,658		1,875

12. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2024	2023
	RMB'000	*RMB'000*
Prepayments	**2,366**	2,919
Prepaid expenses	**1,093**	1,477
Deposits and other receivables	**11,266**	9,051
Other current assets	**1,008**	—
Tax recoverable	**35**	19
	15,768	13,466
Impairment allowance:		
Prepayments	**(1,072)**	(1,072)
Deposits and other receivables	**(4,782)**	(4,577)
Total	**9,914**	7,817

The movements in the loss allowance for impairment of prepayments and other receivables are as follows:

	2024	2023
	RMB'000	*RMB'000*
At beginning of year	**5,649**	14,788
Impairment losses recognised	**205**	661
Amount written off as uncollectible	**—**	(9,800)
At end of year	**5,854**	5,649

Due to delay in delivery of face mask machines and decline in the purchase price of face mask machines and other dispute with suppliers, the Group requested the suppliers to refund the advance payment and credit loss allowance of RMB4,577,000 (2023: RMB4,577,000) were recorded for those suppliers with poor financial position and credit history. During the year ended 31 December 2023, one supplier was in process of liquidation and impairment loss of RMB9,800,000 was written off by management. Provisions for prepayments of raw materials of RMB1,072,000 (2023: RMB1,072,000) were recorded due to the decline of face mask orders.

13. TRADE PAYABLES

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

	2024	2023
	RMB'000	*RMB'000*
Within 3 months	**11,981**	14,023
3 to 6 months	**9,538**	4,789
6 to 12 months	**7,010**	6,744
Over 12 months	**3,789**	5,184
Total	**32,318**	30,740

The trade payables are non-interest-bearing and are normally settled on terms of one to six months.

14. OTHER PAYABLES AND ACCRUALS

		2024	2023
	Notes	***RMB'000***	*RMB'000*
Contract liabilities	(a)	**2,593**	3,687
Advances from lessees		**10,815**	11,230
Payroll payables		**13,406**	6,046
Tax payable other than income tax		**15,436**	13,658
Payable for property, plant and equipment and other intangible assets		**17,123**	19,352
Interest payable		**—**	182
Other payables	(b)	**6,016**	6,013
Total		**65,389**	60,168

Notes:

(a) Details of contract liabilities are as follows:

	31 December 2024	31 December 2023	1 January 2023
	RMB'000	*RMB'000*	*RMB'000*
Short-term advances received from customers			
Sale of goods	**2,593**	3,687	15,320

Contract liabilities represented the obligations to transfer goods to a customer for which the Group has received consideration. The amount was included in "Other payables and accruals" in the consolidated statement of financial position. As at 31 December 2024, no contract liabilities were resulted from the loyalty points programme (2023: nil).

The changes in the contract liabilities are mainly attributable to the short-term advances received to transfer goods to customers and satisfaction of performance obligations.

(b) Other payables are non-interest-bearing and repayable on demand.

15. INTEREST-BEARING BANK AND OTHER BORROWINGS

	2024			2023		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000*
Current						
Lease liabilities	**4.75**	**2025**	**4,716**	4.75	2024	4,032
Bank loans - secured	**4.15**	**2025**	**99,126**	4.35	2024	49,000
Current portion of long term bank loans - secured	**4.85**	**2025**	**8,091**	4.65-4.85	2024	38,000
Total - current			**111,933**			91,032
Non-current						
Lease liabilities	**4.75**	**2026-2027**	**2,205**	4.75	2025-2026	555
Bank loans - secured	**4.85**	**2026-2030**	**53,739**	4.85	2025-2029	42,000
Total – non-current			**55,944**			42,555
Total			**167,877**			133,587

	2024	2023
	RMB'000	*RMB'000*
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**107,217**	87,000
In the second year	**8,000**	8,000
In the third to fifth years, inclusive	**26,000**	24,000
Beyond five years	**19,739**	10,000
Subtotal	**160,956**	129,000
Other borrowings repayable:		
Within one year	**4,716**	4,032
In the second year	**1,913**	530
In the third to fifth years, inclusive	**292**	25
Subtotal	**6,921**	4,587
Total	**167,877**	133,587

Notes:

(a) Certain of the Group's bank loans are secured by:

(i) the Group's buildings and machinery and equipment situated in Mainland China, which had a net carrying value of RMB171,164,000 as at 31 December 2024 (2023: RMB176,855,000) (note 9);

(ii) the Group's investment properties situated in Mainland China, which had a carrying amount of RMB268,103,000 as at 31 December 2024 (2023: RMB228,070,000) (note 10); and

(iii) the Group's leasehold land situated in Mainland China, which had a net carrying value of RMB20,876,000 as at 31 December 2024 (2023: RMB21,408,000).

(b) 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 2024 (2023: RMB250,000,000).

(c) 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 2024 (2023: RMB200,000,000).

16. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

	2023				
	Impairment of financial assets *RMB'000*	Impairment of inventories and fixed assets *RMB'000*	Accruals *RMB'000*	Lease liabilities *RMB'000*	Total *RMB'000*
At 1 January 2023	2,461	5,377	833	352	9,023
Deferred tax charged to the statement of profit or loss during the year (note 6)	(2,461)	(5,377)	(833)	(352)	(9,023)
Gross deferred tax assets as at 31 December 2023, 1 January 2024 and 31 December 2024	—	—	—	—	—

Deferred tax liabilities

	2023		
	Right-of-use assets *RMB'000*	Revaluation of investment properties *RMB'000*	Total *RMB'000*
At 1 January 2023	3,611	7,137	10,748
Deferred tax credited to the statement of profit or loss during the year (note 6)	(3,611)	(516)	(4,127)
Deferred tax charged to the other comprehensive income during the year	—	11,968	11,968
Gross deferred tax liabilities at 31 December 2023, 1 January 2024 and 31 December 2024	—	18,589	18,589

For presentation purposes, certain deferred tax assets and liabilities have been offset in the statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2024 *RMB'000*	2023 *RMB'000*
Net deferred tax liabilities recognised in the consolidated statement of financial position	**18,589**	18,589

The Group has tax losses arising in Mainland China of RMB178,850,000 (2023: RMB151,422,000) that will expire in one to ten years for offsetting against future taxable profits of the companies in which the losses arose. The Group has no tax losses arising in Hong Kong (2023: nil) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Deferred tax assets have not been recognised in respect of the following item:

	2024 *RMB'000*	2023 *RMB'000*
Deductible temporary differences	**29,345**	31,464
Tax losses	**178,850**	151,422
Total	**208,195**	182,886

The above tax losses will expire in one to ten years for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of the above items as it is not considered probable that taxable profits will be available against which the above items can be utilised.

The Group is liable for withholding taxes on dividends distributable by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. The applicable rate is 10% for the Group.

At 31 December 2024, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled nil at 31 December 2024 (2023: nil).

17. SHARE CAPITAL

Shares

	2024 ***RMB'000***	2023 *RMB'000*
Issued and fully paid:		
1,471,123,710 (2023: 1,200,000,000) ordinary shares	**100,114**	80,827

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital** ***RMB'000***	**Share premium** ***RMB'000***
At 1 January 2023 and 31 December 2023	1,200,000,000	80,827	205,242
Rights issue (note (a))	271,123,710	19,287	41,316
Share issue expenses	—	—	(1,452)
At 31 December 2024	**1,471,123,710**	**100,114**	**245,106**

Note:

(a) A rights issue of one rights share for every four existing shares held by members on the register of members on 12 July 2024 was made, at an issue price of HK$0.245 per rights share, resulting in the issue of 271,123,710 shares for a total cash consideration, before expenses, of HK$66,425,000 (approximately RMB60,603,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Business and operations review

During the Reporting Period, design, research and development ("**R&D**"), production and sales of seamless and traditional intimate wear products continued to be the core business of the Group. The Group focuses 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. The Group offers a wide variety of products, such as bras and shorts, underwear sets, casual apparels, sportswear and loungewear products.

During the Reporting Period, the Group's total revenue amounted to approximately RMB266.7 million, representing an increase of approximately 50.1% as compared to 2023 (2023: approximately RMB177.7 million), of which the revenue of the ODM products segment was approximately RMB230.8 million, the revenue of the brand products segment was approximately RMB35.9 million. During the Reporting Period, the notable revenue growth was primarily driven by the increase in exports orders of the ODM products segment. Despite this increase, the Group recorded a loss attributable to owners of the Company for the Reporting Period of approximately RMB16.7 million (2023: approximately RMB45.3 million). The loss was mainly attributable to the following factors:

(i) net loss from a fair value adjustment of investment properties of approximately RMB16.1 million was recorded due to the declining market rents; and

(ii) a bad debt of approximately RMB1.0 million has been provided for the bankruptcy and reorganization of a customer.

Brand management and sales

The Group sells its branded products under the Group's "Bonny" brand and "U+ Bonny" brand through the Group's retail network in the PRC.

During the Reporting Period, the retail network of the Group's brand products segment was further downsized. In 2024, the Group opened a total of 14 self-operated retail outlets and one franchised retail outlet, and shut down 22 loss-making self-operated retail outlets and franchised retail outlet. As at 31 December 2024, the Group had 105 self-operated retail outlets (comprising 98 self-operated concession counters and seven self-operated standalone stores) and 11 franchised retail outlets, across 13 provinces, municipalities and autonomous regions in the PRC, and did not involve any distributors or multiple layers of franchisees.

Meanwhile, the Group's products are also available for sale through its current e-commerce network and different well-recognised e-commerce platforms.

Product design, research and development

The R&D department of the Company is mainly responsible for product development and development of prototype and technology, and preparing and guiding the manufacturing process. The Company has also collaborated with domestic research institutes to enhance the R&D of new processes and products. During the Reporting Period, expenses for product design and R&D was approximately RMB18.3 million (2023: approximately RMB17.1 million).

As at 31 December 2024, the Group had a total of 78 registered trademarks in Chinese Mainland, one registered trademark in Hong Kong, two registered domain names, 14 registered software copyrights and 22 registered patents in Chinese Mainland, including six invention patents and 16 utility model patents.

Production capacity

During the Reporting Period, the production site of the Company situated at Beiyuan Street, Yiwu City, Zhejiang Province and Yushan County, Shangrao City, Jiangxi Province were under normal operations. The production of the products of the Company was organized autonomously using its own equipment, workers and techniques and applying the production strategy of "basing production on sales prospects" to ensure that production is scheduled at the right time to meet customer demands. The production capacity can meet the current order delivery demand at this stage and there is no need to make adjustments.

Human resources

The number of full-time employees of the Group increased to 777 as at 31 December 2024 (31 December 2023: 607). The employee benefit expense (excluding directors' and chief executive's remunerations) for the Reporting Period was approximately RMB81.2 million (2023: approximately RMB59.4 million).

In addition to direct employment and labour dispatch, the Group engages production subcontractors to provide on-site sub-contracting staff. The Group's human resources policy does not apply to workers of the relevant production subcontractor and the Group neither determines nor directly pays wages to the subcontracting staff. Subcontracting fees, calculated based on the quantity of goods or services delivered to the Group for the Reporting Period was approximately RMB21.3 million (2023: approximately RMB3.8 million).

Prospect and business strategy

ODM products segment

The ODM products segment of the Group is mainly export-oriented. The products are exported to many countries and regions around the world, and the main markets are concentrated in Europe, America and other countries and regions. In 2024, the external environment remained complex due to rising geopolitical tensions, unilateralism, and protectionism, posing significant challenges to the steady growth of clothing foreign trade. Nevertheless, China's domestic clothing industry remains competitive and resilient. According to statistics of China Customs, from January to December 2024, the cumulative export of Chinese clothing (including clothing accessories) was US$159.15 billion, representing an increase of 0.4% year-on-year while the cumulative import of clothing was US$10.44 billion, representing an increase of 4.7% year-on-year. As a result, the trade surplus was US$148.71 billion, representing an increase of 0.1% year-on-year. In 2024, the export value of Chinese clothing to Western developed economies (the United States, Canada, Europe, the UK, Japan, Australia and New Zealand) was US$88.8 billion, representing an increase of 3.7% year-on-year and an increase of 1.8% compared to 2023. Exports to the United States were US$36.19 billion, representing an increase of 8.7%. Benefiting from the strong development of the overall apparel industry and the continued pick-up in market demand in Europe and the United States, the sales revenue of the Group's ODM products segment in 2024 has improved significantly and has returned to the sales level before the COVID-19 pandemic.

Looking ahead to 2025, "uncertainty" remains the dominant theme for foreign trade industry. Geopolitical risks and trade protectionism will continue to have a profound impact on the foreign trade industry, and the trend toward regionalization and diversification of the supply chain will continue to intensity. The reemergence of Trump's tariff policy will trigger the accelerated adjustment of the global supply chain and trade pattern, which will be the primary challenge for Chinese garment exporters. As of the date of this announcement, the United States has issued two notices of additional tariffs. The tariffs on the garment products of the Group have been raised to 27.5%, seriously squeezing the profits of the products and hitting the ability of the Group to undertake orders. In order to maintain the smooth operation of the enterprise and overcome the intense difficulties of the year, the Group's operating measures in 2025 are mainly to:

i) Closely monitor the Chinese government's strategies and policies in response to the U.S. tariffs, while hoping for a timely improvement in the escalating trade friction situation;

ii) Maintain close communication and negotiation with overseas customers, and resolve some tariff pressures by adjusting product quotations, negotiating with upstream companies to reduce raw material costs, and planning to establish overseas production chains; and

iii) Accelerate market diversification, expand into new domestic and international markets, deepen the Group's presence in China's domestic market, and reduce reliance on exports.

Brand products segment

Despite the effort of the Group throughout the years, the Group's brand products segment has yet to show significant improvement. Key challenges include a limited business scale and low retail outlet efficiency, resulting primarily from the following external and internal factors:

1. External Factors

   - Slow Industry Growth and Intense Market Competition: According to the National Bureau of Statistics of China, total retail sales of consumer goods in 2024 reached RMB48.3345 trillion, representing a 3.5% increase over the prior year. However, annual retail sales growth for clothing, shoes, hats, and textiles above the designated scale was only 0.3%, which was below the overall growth rate. The slowdown in clothing retail sales growth has become evident.

   - Fierce Competition in the Domestic Market: With both new and established brands vying for market share, price wars and frequent promotions have squeezed profit margins. Rapid expansion of live streaming and social e-commerce platforms has further eroded market share, while evolving consumer demands for health, comfort, and personalized products require continuous innovation and increased R&D investment.

2. Internal Factors

- Limited Product Offering: A single product line capacity has constrained revenue streams and hindered competitiveness.

- Team Confidence and Resource Constraints: A lack of confidence within the sales team, coupled with limited management capability and financial resources, has prevented substantial transformation.

2025 is a crucial year for the operation of the Group's brand product segment, and it may also be a year that determines the future direction. The management requires that two goals must be achieved: 100% of the sales target and to ensure positive annual cash flow. To achieve the goal, the Group will implement the following business strategies:

i) Maintain the number of self-operated retail outlets at 100 or more, and resolutely close down inefficient outlets with zero tolerance;

ii) Continue to update and optimize the outlets image, and continue to strengthen brand labels and symbols;

iii) Operate online e-commerce and live streaming platforms to attract traffic and increase sales for outlets; and

iv) Optimize product planning and focus on market demand and advantageous products.

Financial Review

Revenue

Revenue for the Reporting Period reached approximately RMB266.7 million, representing an increase of approximately RMB89.0 million, or approximately 50.1%, from approximately RMB177.7 million for the Corresponding Period.

The revenue of ODM products segment for the Reporting Period was approximately RMB230.8 million, representing an increase of approximately RMB95.8 million, or approximately 71.0%, from segment revenue of approximately RMB135.0 million for the Corresponding Period. During the Reporting Period, sales revenue of exports was approximately RMB185.2 million, the top three shipping destinations (in terms of revenue) were the United States, Germany and Canada. The increase was mainly due to the continued pick-up in demand in the European and American markets and better sales expectations for brands.

The brand products segment revenue for the Reporting Period was approximately RMB35.9 million, representing a decrease of approximately RMB6.8 million, or approximately 15.9%, from segment revenue of approximately RMB42.7 million for the Corresponding Period. The decrease was mainly due to the lack of competitiveness of self-operated brands, low outlets efficiency and further reduction in the number of outlets.

Gross Profit

Gross profit for the Reporting Period was approximately RMB78.9 million, representing an increase of approximately RMB37.2 million, or approximately 89.2%, from approximately RMB41.7 million for the Corresponding Period. During the Reporting Period, the Group's overseas customer orders increased significantly. On the basis of balancing production capacity, the Group focused on undertaking orders with higher gross margins, resulting in an increase in gross margins from 23.5% in the same period last year to 29.6% in the Reporting Period.

Other Income and Gains

Other income and gains for the Reporting Period was approximately RMB20.8 million, representing an increase of approximately RMB2.1 million, or approximately 11.2%, from approximately RMB18.7 million for the Corresponding Period. The increase was mainly due to the Group's timely expansion of external rental areas based on building occupancy rates to secure additional rental income.

Selling and Distribution Expenses

Selling and distribution costs for the Reporting Period slightly increased to RMB41.5 million compared with the amount of approximately RMB40.2 million for the Corresponding Period.

Administrative Expenses

Administrative expenses for the Reporting Period were approximately RMB31.0 million, representing an increase of approximately RMB2.8 million, or approximately 9.9%, from approximately RMB28.2 million for the Corresponding Period. The increase in personnel expenses due to salary adjustments was approximately RMB2.8 million.

Other Expenses

Other expenses mainly include R&D expenses, net loss on disposal of non-current assets and impairment of long-term assets. Other expenses for the Reporting Period were approximately RMB19.8 million, representing an increase of approximately RMB0.3 million, or approximately 1.5%, from approximately RMB19.5 million for the Corresponding Period.

Fair value changes in investment properties

During the Reporting Period, the net loss from a fair value adjustment of investment properties due to the decrease in market rents was approximately RMB16.1 million as compared to the net loss from a fair value adjustment of approximately RMB5.6 million for the Corresponding period.

Finance Costs

Finance costs for the Reporting Period were approximately RMB7.0 million, representing an increase of approximately RMB1.0 million, or approximately 16.7%, from approximately RMB6.0 million for the Corresponding Period. The increase was mainly due to new bank loans obtained during the Reporting Period.

Income Tax Expense

Income tax expense for the Reporting Period were approximately RMB0.07 million as compared to the income tax expense of RMB5.0 million for the Corresponding Period. The income tax expense for the Reporting Period is mainly due to no reversal of deferred tax assets this year.

Loss Attributable to Equity Holders of the Parent

Loss attributable to ordinary equity holders of the parent for the Reporting Period was approximately RMB16.7 million, representing a decrease of 63.1%, as compared to a loss of approximately RMB45.3 million for the Corresponding Period.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2024, the Group had cash and cash equivalents, which are mostly denominated in Renminbi, U.S. dollars and Hong Kong dollars currency unit, of approximately RMB7.7 million (2023: approximately RMB3.6 million). The interest-bearing liabilities as at 31 December 2024 was approximately RMB167.9 million (2023: approximately RMB133.6 million) with interest rates ranging from approximately 4.15% to 4.85% per annum.

In terms of gearing, the Group's gearing ratio as at 31 December 2024, calculated based on net debts divided by total capital plus net debts, was approximately 42.57% (2023: approximately 44.81%). The Group recorded net current liabilities of approximately RMB59.8 million as of 31 December 2024. As at 31 December 2024, the Group had no material contingent liabilities. The management believes that the Group has maintained adequate financial resources to fulfil its working capital requirements.

FOREIGN EXCHANGE RISK

The monetary assets and liabilities and business transactions of the 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 Group was significantly exposed to foreign exchange risk for the Reporting Period. 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

During the Reporting Period, the Group has made no material acquisitions or disposals of subsidiaries, associates and joint ventures.

CAPITAL COMMITMENTS

As at 31 December 2024, the Group had total capital commitments of RMB65.7 million (2023: RMB22.6 million), primarily related to the settlement of the construction of the Beiyuan Production Site.

These capital commitments are expected to be financed by internal and external resources of the Group.

CONTINGENT LIABILITIES

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

PLEDGE OF ASSETS

As at 31 December 2024, save for: i) the Group's buildings and machinery and equipment situated in Mainland China, which had a net carrying value of RMB171,164,000 (31 December 2023: RMB176,855,000); ii) the Group's investment properties situated in Mainland China, which had a carrying amount of RMB268,103,000 (31 December 2023: RMB228,070,000); and iii) the Group's leasehold land situated in Mainland China, which had a net carrying value of RMB20,876,000 (31 December 2023: RMB21,408,000) which were pledged to secure general banking facilities, the Group did not pledge any other assets.

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*	**Utilized Net Proceeds of the Rights Issue as at 31 December 2024** *HK$ million*	**Unutilized Net Proceeds of the Rights Issue as at 31 December 2024** *HK$ million*
General working capital	54.1	54.1	0.0
Purchase of equipment	7.4	3.5	3.9
New Product Research & Development	3.5	3.5	0.0
Total	65.0	61.1	3.9

Details of the Rights Issue are set out in 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.

SUBSEQUENT EVENT

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.

EMPLOYEE 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 participant.

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

SIGNIFICANT INVESTMENTS HELD

During the Reporting Period, the Group did not have any significant investment.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as otherwise disclosed this announcement, there were no material investments or additions of capital assets authorised by the Board at the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Reporting Period.

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 (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") 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 A.2.1 of the CG Code (which has been re-numbered as code provision C.2.1 since 1 January 2023).

Mr. Jin Guojun is the chairman of the Board and chief executive officer of the Company. Although this deviates from the practice under code provision A.2.1 of the CG Code (which has been re-numbered as code provision C.2.1 since 1 January 2023), which 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 of the Board 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 monopolize 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.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") 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 with management the Group's consolidated financial statements for the year ended 31 December 2024, the accounting principles and practices adopted and discussed auditing, internal control and financial reporting matters.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "**Model Code**") as its code of conduct regarding dealings in the securities of the Company by the Directors and the Company's senior management who, because of his/her office or employment, is likely to possess inside information in relation to the Company's securities.

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.

DIVIDENDS

The Board does not recommend a final dividend for the Reporting Period (2023: nil).

ANNUAL GENERAL MEETING

The forthcoming 2025 annual general meeting ("**AGM**") of the Company will be held in the PRC on 29 May 2025. Notice of the AGM will be published and, if necessary, despatched to the shareholders of the Company in the manner as required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 26 May 2025 to 29 May 2025, both days inclusive, during which no transfer of Shares will be registered. In order to be entitled to attend and vote at the Annual General Meeting, 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 23 May 2025.

SCOPE OF WORK FOR ANNUAL RESULTS ANNOUNCEMENT BY AUDITORS

The financial information set out in this announcement does not constitute the Group's audited accounts for the Reporting Period, but represents an extract from the consolidated financial statements for the year ended 31 December 2024 which have been audited by the auditor of the Company, Ernst & Young in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The financial information has been received by the Audit Committee and approved by the Board.

PUBLICATION OF ANNUAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This annual 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 annual report of the Group for the Reporting Period, containing all the information required by the Listing Rules, will be despatched to the shareholders of the Company and published on the aforementioned websites in due course.

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

Hong Kong, 28 March 2025

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.