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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)**

## **INSIDE INFORMATION UPDATE ON LITIGATION**

This announcement is made by Bonny International Holding Limited (the “**Company**”) and its subsidiaries, from time to time (collectively, the “**Group**”), pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **I. OVERVIEW OF THE LITIGATION**

Reference is made to the announcement of the Company dated 13 January 2021 (the “**Announcement**”) in relation to a “Civil Complaint” (民事起訴狀) (Case No.: (2020) Zhe 07 Min Chu No. 367) that the Company received from the Intermediate People’s Court of Jinhua City, Zhejiang Province (“浙江省金華市中級人民法院”) (the “**Jinhua Intermediate Court**”) in December 2020 (the “**Claims**”). Unless otherwise defined in this announcement, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

The Claims comprise of:

- (i) requiring the Procurement Contract, entered into between Zhejiang Bonny Fashion Holding Group Co., Ltd.\* (浙江博尼時尚控股集團有限公司) (“**Zhejiang Bonny**”), a wholly owned subsidiary of the Company and A Barcs & Co Nominees Pty Ltd (“**BARCS**”) on 2 April 2020, be terminated;
- (ii) requiring Zhejiang Bonny to refund the prepayments of approximately USD2.8 million (plus interest) to BARCS; and
- (iii) requiring Zhejiang Bonny to compensate BARCS economic losses arising from transportation, storage and delayed delivery in the amount of approximately AUD3.1 million and USD48,000, respectively.

## II. UPDATE ON THE LITIGATION

The case was heard by Jinhua Intermediate Court, and on 25 May 2022, the Company received a civil judgement from Jinhua Intermediate Court (the “**Judgement**”), the salient contents of which are as follows:-

1. The Procurement Contract that was entered into on 2 April 2020, was ruled to be terminated with effect from 6 May 2020;
2. Zhejiang Bonny shall refund BARCS the prepayments of approximately USD2.8 million plus interest calculated with reference to the market interest rate quoted at the intra-banks financing centre for the period from 6 May 2020 until the date of the repayment of approximately USD2.8 million;
3. All other claims filed by BARCS were rejected; and
4. Counterclaims against BARCS lodged by Zhejiang Bonny were rejected.

The case acceptance fee and other charges in total was RMB340,685, out of which RMB336,744 should be borne by Zhejiang Bonny.

Immediately after receiving the Judgement, the Company lodged an appeal and it was accepted by Zhejiang Province High Court (“浙江省高級人民法院”) on 11 July 2022. The Company received a final judgement from Zhejiang Province High Court on 23 May 2023 that it upholds the Judgement from Jinhua Intermediate Court, the salient contents of which have been set out in previous paragraphs.

The case acceptance fee for such appeal was RMB218,941, out of which RMB127,495 should be borne by Zhejiang Bonny.

## III. OTHER UNDISCLOSED LITIGATION OR ARBITRATIONS

As of the date of this announcement and save for the litigation as disclosed above, the Group did not have any other disclosable litigations or arbitrations that are required disclosure under the Listing Rules.

## IV. IMPACT OF THE LITIGATION ON THE COMPANY

Zhejiang Bonny is currently seeking further legal advice as to this litigation. The Company expects the obligations as imposed by the Judgement will have certain adverse impacts in terms of the liquidity of the Company and the Company will use its own available funding and the cash flow from future operating activities to settle the amounts as required by the Judgement. The Company is now implementing various measures, including but not limited to actively seeking external financing from banks and other financial institutions, to ensure that the liquidity of the Company financially sounds and the stability of the operation of the Group.

Currently, all business operations of the Company remain normal and the Company will keep the shareholders and potential investors of the Company informed of any further material developments in respect of the litigation by way of further announcement(s) in accordance with the Listing Rules as and when appropriate.

**Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 20 June 2023

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

*\* For identification purpose only*