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Regina Miracle International (Holdings) Limited

維珍妮國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2199)

**CONTINUING CONNECTED TRANSACTION
IN RELATION TO RENEWAL OF LE YING SALES AGREEMENT**

The Company entered into the Le Ying Sales Agreement with Le Ying on 11 September 2015, which became effective on the Listing Date and is valid until either (i) the expiry of a period of three years or (ii) the date on which Le Ying ceases to be our connected person, whichever comes earlier. The original annual caps were set for the three financial years ended 31 March 2016, 31 March 2017 and 31 March 2018 respectively. During the period from 1 April 2018 up to the date of this announcement, there is no connected transaction between the Company and Le Ying.

The Board announced that on 9 May 2018, the Company entered into the New Le Ying Sales Agreement with Le Ying to replace the Le Ying Sales Agreement, pursuant to which the Company agreed to supply and procure its subsidiaries to supply to Le Ying Group the intimate wear and sport wear products for a term expiring on 31 March 2021.

Le Ying is wholly-owned by Mr. Hung, hence an associate of Mr. Hung and a connected person of the Company. Accordingly, the transactions contemplated under the New Le Ying Sales Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since one or more of the relevant applicable percentage ratios (as defined under the Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the New Le Ying Sales Agreement are expected to be, on an annual basis, more than 0.1% but less than 5%, the transactions are exempt pursuant to Rule 14A.76(2) of the Listing Rules from the circular (including independent financial adviser) and independent shareholders' approval requirements but are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

THE NEW LE YING SALES AGREEMENT

Principal terms of the New Le Ying Sales Agreement are set out as follows:

Date

9 May 2018

Parties

- (1) the Company (as the supplier); and
- (2) Le Ying (as the purchaser)

Principal terms

The Company entered into the New Le Ying Sales Agreement with Le Ying on 9 May 2018 to replace the Le Ying Sales Agreement, pursuant to which the Company agreed to supply and procure its subsidiaries to supply to Le Ying Group the intimate wear and sport wear products.

The New Le Ying Sales Agreement will become effective on the Effective Date and is valid until either (i) the expiry of a term on 31 March 2021 or (ii) the date on which Le Ying ceases to be the connected person of the Company, whichever comes earlier. The parties to the agreement may negotiate to extend the agreement for a further term of three years within two months before the expiry of the three-year term of the agreement unless the agreement is terminated due to Le Ying ceasing to be the connected person of the Company.

Pricing policy

The price of the sales of intimate wear and sport wear products by the Company to Le Ying Group shall be determined on an arm's length basis with reference to (1) the cost of production and the expected gross profit margin, (2) the average selling price of the products of comparable nature and scale and accepted by an independent third party in the twelve-month period prior to the relevant transaction, (3) where there is no such average selling price available, any most recent available sale price of products of comparable nature and scale offered by the Group and accepted by an Independent Third Party, the latest available market data, and (4) the prevailing market price for the sale of products of comparable nature and scale, which should be in any event no less favorable to the Group than is available to independent third parties.

HISTORICAL TRANSACTION AMOUNTS AND ANNUAL CAPS

Historical figures

The historical transaction amounts of the sales by the Group to Le Ying Group for the years ended 31 March 2016, 2017 and 2018 are set out below:

	Historical Transaction Amount for the years ended 31 March (HK\$'000)		
	2016	2017	2018 (unaudited)
Total Revenue	14,027	18,663	19,865

Annual Caps

The maximum aggregate annual amount of the sales by the Group to Le Ying Group for the years ending 31 March 2019, 2020 and 2021 shall not exceed the caps set out below:

	Proposed Annual Cap for the years ending 31 March (HK\$'000)		
	2019	2020	2021
Total Revenue	80,000	100,000	120,000

Basis of Caps:

In determining the above annual caps, the Directors have considered (1) the historical transactions amount for the sales by the Group to Le Ying Group, (2) the prevailing market prices of intimate wear and sport wear products of comparable nature and scale, and (3) the Group's anticipated demand for intimate wear and sport wear products of Le Ying Group and under the assumption that (1) Le Ying Group will expand its retail business by increasing the number of stores gradually for the three years ending 31 March 2021; (2) there will not be any material fluctuation in the market supply and demand of the relevant intimate wear and sport wear products for the three years ending 31 March 2021; and (3) there will not be any material fluctuation in market price of the relevant products for the three years ending 31 March 2021.

REASONS FOR THE TRANSACTION

We have been manufacturing intimate wear and sport wear products for Le Ying Group's retail businesses in Hong Kong and PRC since 2011. The Directors consider that it is beneficial to the Group to supply the intimate wear and sport wear products to Le Ying Group on normal commercial terms, thus broadening our customer and revenue base in Asia.

LISTING RULES IMPLICATIONS

Since one or more of the relevant applicable percentage ratios (as defined under the Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under New Le Ying Sales Agreement are expected to be, on an annual basis, more than 0.1% but less than 5%, the transactions are exempt pursuant to Rule 14A.76(2) of the Listing Rules from the circular (including independent financial adviser) and independent shareholders' approval requirements but is subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors but excluding Mr. Hung) have reviewed and approved the New Le Ying Sales Agreement.

GENERAL INFORMATION

Le Ying is a limited liability company incorporated in Hong Kong and is engaged in retailing of intimate wear and sport wear products in Hong Kong and PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the entire issued share capital of Le Ying is wholly owned by Mr. Hung.

The Group is principally engaged in the design and manufacturing of a wide range of intimate wear and functional sports products.

DEFINITIONS

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Company”	Regina Miracle International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited
“connected person”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Date”	the effective date of the New Le Ying Sales Agreement (i.e. 9 May 2018)
“Group”	the Company and its subsidiaries
“Hong Kong Dollar” or “HK\$”	the lawful currency of the Hong Kong Special Administrative Region of the People's Republic of China

“Listing Date”	the date on which the Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (i.e. 8 October 2015)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Le Ying”	Le Ying Trading (Hong Kong) Limited, a limited company incorporated in Hong Kong and wholly-owned by Mr. Hung, hence an associate of Mr. Hung and a connected person of the Company
“Le Ying Group”	Le Ying and its subsidiaries
“Le Ying Sales Agreement”	the sales agreement dated 11 September 2015 entered into between the Company and Le Ying
“Mr. Hung”	Mr. Hung Yau Lit (also known as Mr. YY Hung), the chairman of the Board, chief executive officer, an executive Director and controlling shareholder of the Company
“New Le Ying Sales Agreement”	the sales agreement dated 9 May 2018 entered into between the Company and Le Ying
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“%”	per cent.

By order of the Board
Regina Miracle International (Holdings) Limited
Yiu Kar Chun Antony
Executive Director

Hong Kong, 9 May 2018

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Hung Yau Lit (also known as YY Hung), Mr. Yiu Kar Chun Antony, Mr. Liu Zhenqiang, Mr. Chen Zhiping and Ms. Sze Shui Ling as executive Directors, and Dr. Or Ching Fai, Mrs. To Wong Wing Yue Annie and Ms. Tam Laiman as independent non-executive Directors.