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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 FLOAT SALES AGREEMENT

The Board announces that on 27 March 2020, the Company entered into the Float Sales Agreement with Float Limited, pursuant to which the Company agreed to supply and procure its subsidiaries to supply to Float intimate wear and sportswear products for a term of three years commencing on 1 April 2020 and ending on 31 March 2023.

Since Float is wholly-owned by Ms. Hung Cheuk Man, daughter of Mr. Hung Yau Lit, Float is a connected person of the Company. Accordingly, the transactions contemplated under the Float Sales Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Since all the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Float 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 advice) and independent shareholders' approval requirements but are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

THE FLOAT SALES AGREEMENT

Principal terms of the Float Sales Agreement are set out as follows:

Date: 27 March 2020

Parties: (i) the Company, as the supplier; and
(ii) Float, as the purchaser

Principal terms: The Company entered into the Float Sales Agreement with Float on 27 March 2020, pursuant to which the Company agreed to supply and procure its subsidiaries to supply to Float intimate wear and sportswear products for a term of three years commencing on 1 April 2020 and ending on 31 March 2023. 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.

Pricing policy: The price of the sales of intimate wear and sportswear products by the Company to Float 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 with reference to 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.

PROPOSED ANNUAL CAPS

The maximum aggregate annual amount of the sales by the Group to Float for the years ending 31 March 2021, 2022 and 2023 shall not exceed the caps set out below:

	Proposed Annual Caps for the Years Ending 31 March (in HK\$ thousand)		
	2021	2022	2023
Total Revenue	10,000	20,000	30,000

Basis of Proposed Annual Caps

In determining the above annual caps, the Directors have considered (1) the prevailing market prices of intimate wear and sportswear products of comparable nature and scale, and (2) the Group's anticipated demand for intimate wear and sportswear products of Float and under the assumption that (1) Float will develop its lingerie trade business in Hong Kong, and will gradually increase its channels for trading in the three years ending 31 March 2023, (2) there will not be any material fluctuation in the market supply and demand of the relevant intimate wear and sportswear products in the three years ending 31 March 2023; and there will not be any material fluctuation in market price of the relevant products in the three years ending 31 March 2023.

REASONS FOR THE TRANSACTION

The Directors (including the independent non-executive Directors) are of the view that the terms of the Float Sales Agreement have been negotiated at arm's length on fair and reasonable commercial terms, and the transactions contemplated thereunder will broaden the Group's customer and revenue base in Asia, which is in the interests of the Company and the shareholders of the Company as a whole.

LISTING RULES IMPLICATION

Since all the relevant applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the transactions contemplated under the Float 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 advice) and independent shareholders' approval requirements but are subject to the reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

None of the Directors has any material interest in the continuing connected transactions contemplated under the Float Sales Agreement and is required to abstain from voting on the board resolutions approving the transactions thereunder. However, for good corporate governance, Mr. Hung Yau Lit, being an immediate family member of Ms. Hung Cheuk Man, has voluntarily abstained from voting on the board resolutions in respect of the Float Sales Agreement and the proposed annual caps.

The Directors (including the independent non-executive Directors but excluding Mr. Hung Yau Lit) have reviewed and approved the Float Sales Agreement.

GENERAL INFORMATION

Float is a limited liability company incorporated in Hong Kong and is principally engaged in trading and retailing of intimate wear, sportswear and sports shoe products in Hong Kong. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Float is wholly-owned by Ms. Hung Cheuk Man, daughter of Mr. Hung Yau Lit and Float is hence a connected person of the Company.

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

DEFINITION

“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
“Float”	Float Limited is a limited company incorporated in Hong Kong and it is wholly-owned by Ms. Hung Cheuk Man
“Float Sales Agreement”	the sales agreement dated 27 March 2020 entered into between the Company and Float
“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 Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“Ms. Hung Cheuk Man”	Mr. Hung Yau Lit’s daughter
“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, 27 March 2020

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.