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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)

DISCLOSEABLE AND CONNECTED TRANSACTION DISPOSAL OF SUBSIDIARIES

THE DISPOSAL

The Board announces that on 12 November, 2021, the Company, as the vendor and Mr. Hung, the purchaser, entered into the Sale and Purchase Agreement in relation to the Disposal, pursuant to which the Company has conditionally agreed to sell and Mr. Hung has conditionally agreed to buy the Sale Shares and the Land at a total consideration of HK\$120,000,000. Upon the completion of the Disposal, the Company will cease to hold any interests in Target A, Target B and Target C, (collectively, the “**Target Companies**”) and the financial results of the Target Companies will cease to be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the purchaser, Mr. Hung is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (other than the profits ratio) are more than 0.1% but less than 5%, the Disposal is 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 SALE AND PURCHASE AGREEMENT

Principal terms of the Sale and Purchase Agreement are set out as follows:

Date

12 November, 2021

Parties

- (1) the Company as the vendor; and
- (2) Mr. Hung, as the purchaser

Assets to be disposed of

The assets to be disposed of by the Company comprise of the Land and the Sale Shares, representing the entire issued share capital of Target A, beneficially owned by the Company. Target A is the legal and beneficial owner of the entire issued share capital of Target B, an investment holding Company, which is the legal and beneficial owner of the entire issued share capital of Target C. The major asset under Target C is its interests in the Land.

Consideration

The consideration, being HK\$120,000,000, was determined after arm's length negotiations between the Company and Mr. Hung, with reference to (i) unaudited combined net asset value of the Target Companies as of 12 November 2021 of approximately HK\$120,000,000; (ii) registered share capital of each of the Target Companies; (iii) the purchase price of the Land; and (iv) the valuation of the Land of RMB49,350,000 as at 30 September 2021, valued by an independent professional valuer engaged by the Company.

Conditions precedents

Completion is subject to the following conditions precedent having been fulfilled:

- (1) all necessary authorisations, consents, licenses, agreements, approvals or permissions of any kind required for the Company or the Target Companies to implement the Disposal contemplated thereunder having been obtained by the Company and remaining in full force and effect;
- (2) the passing of the necessary approval by the Company approving the entering into, execution, delivery and performance of the Sale and Purchase Agreement and the Disposal hereunder;

- (3) the representation, warranties and/or undertakings given by Mr. Hung under the Sale and Purchase Agreement remaining true, accurate and not misleading, and there having been no breach of the Sale and Purchase Agreement by Mr. Hung; and
- (4) the representation, warranties and/or undertakings given by the Company under the Sale and Purchase Agreement remaining true, accurate and not misleading, and there having been no breach of the Sale and Purchase Agreement by Company.

Completion

Completion has taken place on 12 November, 2021.

Upon the completion of the Disposal, the Company cease to hold any interests in the Target Companies and the financial results of the Target Companies cease to be consolidated into the financial statements of the Group.

INFORMATION OF THE COMPANY

The Company is an investment holding company incorporated in Cayman Islands. The Group is principally engaged in the manufacturing and trading of bras, intimate wear, bra pads, other molded products, functional sports products and pandemic prevention products.

INFORMATION OF THE PURCHASER

Mr. Hung, i.e. Mr. Hung Yau Lit (also known as Mr. YY Hung), is the chairman of the Board, chief executive officer, an executive Director and controlling shareholder of the Company.

INFORMATION OF THE TARGET COMPANIES

The Target Companies are investment holding companies and our indirect wholly-owned subsidiaries incorporated with limited liability under the laws of BVI, Hong Kong and PRC respectively.

In Target C, the major asset is the Land in Zhaoqing, Guangdong Province, PRC acquired on 19 May 2021 through public bidding hosted by Zhaoqing City Natural Resources Bureau (肇慶市自然資源局). As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the acquisition of the Land are less than 5%, the acquisition of the Land is fully exempt.

Particulars of the Land are set out as below:

Address:	Guangdong Zhaoqing Industrial Park (Guangdong-Hong Kong-Macao Greater Bay Area Ecological Technology Industrial Park)
Site code:	XQ-LG2201
Total land area (approximately sq.m):	120,708.80
Properties situated on the Land:	The land has not been used
Land use:	Industrial
Purchase price:	RMB49,350,000

Set out below is the combined financial information of the Target Companies for the year ended 31 March 2021 and the period from 1 April 2021 to 12 November 2021:

	For the period from 1 April 2021 to 12 November 2021 (Unaudited) (HK\$'000)	For the year ended 31 March 2021 (Unaudited) (HK\$'000)
Net loss before tax	775	35
Net loss after tax	775	35

The unaudited net asset value of the Target Companies as at 12 November 2021 is approximately HK\$120,000,000.

REASONS AND BENEFITS FOR THE DISPOSAL

The Disposal of the Target Companies involves the disposal of the Land of Target C, Mr. Hung will be responsible for the facilities construction in accordance with the land use. This will lower the Group's capital expenditure and improve the Group's liquidity. As such, the Group will enjoy a better financial position and the proceeds from the Disposal will further strengthen the cash flow of the Group. The Disposal will enable the Group to focus on its current business and enhance the flexibility to allocate its resources for innovative research and products development, which further increase the Group's competitiveness in the market. The Directors also consider the disposal of the Land to Mr. Hung could enhance the Group's opportunities to use the facilities built over the land by way of leasing in the future, which could improve the overall operation efficiency of the Group.

Based on the above and negotiation with Mr. Hung on arm's length basis, the Directors, including the independent non-executive Directors, consider that the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL AND USE OF PROCEEDS

Immediately after the Completion, the Target Companies cease to be the subsidiaries of the Company and the financial results of the Target Companies will no longer be consolidated into the Company's financial statements.

It is estimated that the Group will have no significant profit or loss on the Disposal as the sale proceeds will be equal to the net asset attributable to the 100% equity interest in the Target Companies. The actual gain or loss arising from the Disposal will be dependent on the combined net asset value of the Target Companies attributable to the Company as of the Completion Date, and will be subject to the review and audit by the auditor of the Company and may be different from the expected amount as stated above.

The net proceeds from the Disposal are intended to be used by the Group as general working capital of the Group. The Directors considers that there will be no material adverse impact to the financial position and business operations of the Group as a whole as a result of the Disposal.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the purchaser, Mr. Hung is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Disposal constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As all the applicable percentage ratios (other than the profits ratio) are less than 5%, the Disposal is 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.

DEFINITION

In this announcement, the following terms have the meanings set out below, unless the context requires otherwise:

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Regina Miracle International (Holdings) Limited (維珍妮國際(控股)有限公司) a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2199)

“Completion”	the completion of the sale and purchase of the Sale Shares (as defined below) and the Land in accordance with the Sale and Purchase Agreement (as defined below)
“Completion Date”	12 November, 2021
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares (as defined below) and the Land by the Company to Mr. Hung pursuant to the Sale and Purchase Agreement (as defined below)
“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
“Land”	the land piece acquired by Target C (as defined below) through public bidding on 19 May, 2021
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to the “PRC” do not apply to Taiwan, Macau Special Administrative Region and Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement for the sale and purchase of the Sale Shares and the Land dated 12 November, 2021 entered into between the Company and Mr. Hung
“Sale Shares”	the entire issued share capital of Target A (as defined below)

“Shareholder(s)”	holder(s) of Shares
“Shares”	ordinary shares in the capital of our Company with nominal value of US\$0.01 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target A”	Regina Miracle International Technology Limited, a company incorporated with limited liability under the laws of the British Virgin Islands on 19 August 2020, Target A is the legal and beneficial owner of the entire issued share capital of Target B
“Target B”	Regina Miracle International Technology Limited, a company incorporated with limited liability under the laws of Hong Kong on 2 September 2020, Target B is the legal and beneficial owner of the entire issued share capital of Target C
“Target C”	Regina Miracle Technology (Zhaoqing) Co., Ltd (維珍妮科技(肇慶)有限公司), a company incorporated with limited liability under the laws of the People’s Republic of China on 25 November 2020
“Target Companies”	Target A, Target B and Target C
“%”	per cent

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

Hong Kong, 12 November, 2021

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.