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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 TRANSACTION IN RELATION TO THE CONSTRUCTION OF RMI VIETNAM'S PLANT

Reference is made to the Voluntary Announcement made by the Company on 24 July 2017. The Board announced that on 24 July 2017, RMI Vietnam, an indirectly wholly-owned subsidiary of the Company, entered into the Framework Agreement with Cotecons, an independent third party of the Company, under which Cotecons agreed to undertake relevant work in relation to, among others, the design, construction and renovation of RMI Vietnam's Plant. Since the execution of the Framework Agreement on 24 July 2017 and up to the date of this announcement, RMI Vietnam engaged Cotecons to conduct various works in relation to the Plant with a total transaction amount of VND769,709,823,000 (approximately HK\$261,678,630). As one of the applicable percentage ratios of the transactions contemplated under the Framework Agreement in aggregate exceeds 5% but less than 25%, the transactions constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules.

THE FRAMEWORK AGREEMENT AND INDIVIDUAL CONSTRUCTION ORDERS

General

With the main purpose of providing a more comprehensive scope and standards for the design, construction and renovation works conducted on the Plant, RMI Vietnam entered into the Framework Agreement with Cotecons. Pursuant to the Framework Agreement, RMI Vietnam and Cotecons signed individual construction orders for each construction project involved to set out, among others, detailed transaction amount, construction period and construction standards.

Consideration

Since the execution of the Framework Agreement on 24 July 2017 and as at the date of this announcement, the aggregate consideration payable for individual construction orders pursuant to the Framework Agreement by RMI Vietnam is VND769,709,823,000 (equivalent to approximately HK\$261,678,630). The consideration is determined after arm's length negotiations with reference to the expected scope and complexity of the construction works to be carried out, the costs of material and labour costs estimated to be incurred, and the prevailing market prices for carrying out construction works of comparable scale and complexity.

Payment terms

The consideration of each individual construction order shall be paid by RMI Vietnam in the following manner:

- (1) 15% of the consideration shall be paid as an advance payment within 15 days from the date of signing of the individual construction order.
- (2) The consideration shall be settled on a monthly basis in accordance with the amount of the construction work completed which will be verified by both RMI Vietnam and Coteccons on the 25th day of every month, and the payment request report for completion of the construction work shall be submitted to RMI Vietnam. 80% of the consideration of the amount of construction work completed for that month (excluding the advance payment) shall be payable to Coteccons before 15 days of the following month of receipt by RMI Vietnam of the information of the payment request report submitted by Coteccons.
- (3) The remaining 5% of the consideration shall be paid to Coteccons in full within 30 days after verification of the stipulated information of acceptance of the construction project/phase delivered to RMI Vietnam (including inspection and audit time and the construction maintenance guarantee issued by Coteccons).

Obligations of RMI Vietnam and Coteccons

RMI Vietnam shall purchase the construction insurance, supervise the progress of the construction projects and obtain applicable government approvals in relation to the works conducted on the Plant.

Coteccons must conduct the works on the Plant pursuant to the provisions of each of the individual construction orders and shall purchase third-party insurance, equipment insurance and personal accident insurance for its staff. Coteccons shall also comply with all applicable labor safety laws and regulations to avoid labor injury, failing which Coteccons shall assume full liability.

Coteccons shall provide one year warranty period upon the Plant's commencement of operations. During the term of the construction and the warranty period, Coteccons shall be responsible for all the project deficiencies and maintenance.

Termination

In the event of Coteccons' material breach, which includes, among others, a 30-day delay of relevant project progress or major quality issue of the construction projects, RMI Vietnam is entitled to terminate the Framework Agreement and engage other parties to complete the construction projects. Coteccons shall compensate RMI Vietnam for the losses resulting from its material breach. RMI Vietnam is also entitled to terminate the Framework Agreement at any time by giving Coteccons thirty (30) days' written notice.

Coteccons is entitled to terminate the Framework Agreement or suspend construction in the event that RMI Vietnam fails to settle the amount due under each construction order within 30 days after the due date.

INFORMATION OF THE CONTRACTOR

Coteccons is a company mainly engaged in the design, construction and renovation of plants and factories in Vietnam.

To the best knowledge, information and belief of the Board after having made all reasonable enquiries, Coteccons and its ultimate beneficial owners are independent third parties who are not connected persons of the Company.

REASONS FOR ENTERING INTO THE FRAMEWORK AGREEMENT

The Group is principally engaged in the design and manufacturing of a wide range of intimate wear and functional sports products. RMI Vietnam, an indirectly wholly-owned subsidiary of the Company, is principally engaged in the manufacturing of bras and intimate wear.

As part of the Group's business plan to expand its manufacturing capabilities in Vietnam, RMI Vietnam engaged Coteccons to conduct various works in relation to the Plant for the past twelve months ended the date of the Voluntary Announcement. The main purpose of the Framework Agreement is to provide a more comprehensive scope and standards for the design, construction and renovation works conducted on the Plant.

The Directors are of the opinion that the terms of the Framework Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions, on aggregated basis, is more than 5% but less than 25%. The transactions therefore constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements thereunder.

DEFINITIONS

“Board”	the board of Directors of the Company
“Company”	Regina Miracle International (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability on 21 September 2010 and listed on the Main Board of The Stock Exchange of Hong Kong Limited on 8 October 2015
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Coteccons”	Coteccons Construction Joint Stock Company*, a joint stock company in Vietnam
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the framework construction agreement entered into between RMI Vietnam and Coteccons dated 24 July 2017
“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
“independent third party(ies)”	third party(ies) (and where the third party is a corporation, such corporation and its ultimate beneficial owners) who is/are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Plant”	RMI Vietnam’s apparel manufacturing plant located in Haiphong, Vietnam
“RMI Vietnam”	Regina Miracle International (Vietnam) Co., Ltd., a company incorporated under the laws of Vietnam on 20 March 2014 and an indirectly wholly-owned subsidiary of the Company
“Vietnam”	the Socialist Republic of Vietnam

“Vietnamese Dong” or “VND” the lawful currency of Vietnam

“%” per cent

By order of the Board
Regina Miracle International (Holdings) Limited
Mr. Hung Yau Lit (also known as YY Hung)
Chairman

Hong Kong, 24 April, 2018

As at the date of this announcement, the Board 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.

For illustration purposes only, translation from Vietnamese Dong to Hong Kong Dollar was made at a rate of VND2,941.43 to HK\$1.00.

* *For identification purposes only*