

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CONNECTED TRANSACTION

RENEWAL OF PROPERTY LEASING AGREEMENT

Reference is made to the announcement of the Company dated 24 March 2017 in relation to the Continuing Connected Transaction Property Leasing Agreement (the “**Announcement**”). Unless otherwise stated, definitions and terms used herein shall have the same meanings as those defined in the Announcement.

On 24 March 2017, Shun Cheong entered into the Property Leasing Agreement with RMIA Shenzhen, an indirectly wholly-owned subsidiary of the Company, pursuant to which Shun Cheong agreed to lease to RMIA Shenzhen the Premises (the building located at Redstar Community, Yutang Subdistrict Office, Guangming District, Shenzhen, Guangdong Province, PRC) for a term of three years commencing on 1 April 2017 at a monthly rent of RMB1,261,920.

The Board announces that, on 27 March 2020, Shun Cheong entered into a property leasing agreement in relation to the Premises (the “**New Property Leasing Agreement**”) with RMIA Shenzhen, pursuant to which Shun Cheong agreed to lease to RMIA Shenzhen the Premises for a term of three years commencing on 1 April 2020 at a monthly rent of RMB1,261,920.

As Shun Cheong is indirectly wholly-owned by Mr. Hung Yau Lit (also known as YY Hung), the chairman, chief executive officer, executive director and a controlling shareholder of the Company, Shun Cheong is a connected person of the Company and the transaction contemplated under the New Property Leasing Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Under HKFRS 16, the Group, as the lessee, shall recognize a lease as a right-of-use asset and a lease liability. The value of the right-of-use asset to be recognised amounts to approximately RMB42,146,000 (equivalent to approximately HK\$46,954,000). As the applicable percentage ratios (as prescribed under Chapter 14 of the Listing Rules) in respect of the transaction contemplated under the New Property Leasing Agreement will exceed 0.1% but less than 5%, the transaction is subject to the reporting, annual review and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Mr. Hung has abstained from voting on the board resolution of the Company to approve the New Property Leasing Agreement and the transaction contemplated thereunder.

THE NEW PROPERTY LEASING AGREEMENT

Principal terms of the New Property Leasing Agreement are set out as follows:

- Date:** 27 March 2020
- Parties:** (i) Shun Cheong, as landlord
(ii) RMIA Shenzhen, as tenant
- Premises:** Building located at Redstar Community, Yutang Subdistrict Office, Guangming District, Shenzhen, Guangdong Province, PRC, with a gross floor area of approximately 63,000 square meters.
- Principal use:** the Premises shall be used by RMIA Shenzhen for research and development or as manufacturing-related facilities. The principal use of the Premises shall not be changed without Shun Cheong's prior written consent.
- Term:** Three years commencing on 1 April 2020 and ending on 31 March 2023 (both dates inclusive). RMIA Shenzhen may terminate the agreement before the expiry of its term by giving a six months' notice to Shun Cheong. RMIA Shenzhen may by giving Shun Cheong a three months' notice before the expiry of the agreement, request for the renewal of the lease. Shun Cheong and RMIA Shenzhen shall enter into a renewal property leasing agreement for such renewal.
- Rent:** A monthly rent of RMB1,261,920, exclusive of utility charges, payable on a monthly basis.
- Rental deposit:** A total deposit of RMB1,261,920, which is equivalent to one month's rent.

The rent was determined on the basis of arm's length negotiation between the parties after taking into account (i) the market rent of the Premises according to a fair rent letter issued by the Valuer; and (ii) various conditions of the Premises, including but not limited to the location of the Premises as well as the management services associated with the Premises. The Valuer assessed the market rent of the Premises, based on the prevailing market conditions and the rental level of similar properties in the vicinity.

Based on preliminary estimation of the Company, the value of the right-of-use asset to be recognised by the Group under the transaction contemplated under the New Property Leasing Agreement amounts to approximately RMB42,146,000 (equivalent to approximately HK\$46,954,000). The aggregate amount of lease liability recognised under the New Property Leasing Agreement shall be the same as the value of the right-of-use asset recognised. The value of the right-of-use asset will be amortised over the lease period.

REASONS FOR THE TRANSACTION

The purpose of entering into the New Property Leasing Agreement is to facilitate the Group's expansion of its current business operations in Shenzhen, PRC, and to grow the Company's research and development capacities in order to continue producing premium products that feature the latest innovations. The Board considers that the Premises, being located within the proximity of the existing production facilities of RMIA Shenzhen, would be the most suitable premises for RMIA Shenzhen to expand its business operations.

The terms of the New Property Leasing Agreement were determined after arm's length negotiation between Shun Cheong and RMIA Shenzhen with reference to the prevailing market rent and conditions. The Directors (including the independent non-executive Directors but excluding Mr. Hung) consider that the New Property Leasing Agreement was entered into in the ordinary and usual course of business of the Group on normal commercial terms. The Directors (including the independent non-executive Directors but excluding Mr. Hung) are of the opinion that the terms of the New Property Leasing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL INFORMATION

Shun Cheong is an investment holding company. 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 Shun Cheong is indirectly 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. RMIA Shenzhen, an indirectly wholly-owned subsidiary of the Company, is principally engaged in the design and manufacturing of bras, panties and sports products.

LISTING RULES IMPLICATION

As Shun Cheong is indirectly wholly-owned by Mr. Hung Yau Lit (also known as YY Hung), the chairman, chief executive officer, executive director and a controlling shareholder of the Company, Shun Cheong is a connected person of the Company and the transaction contemplated under the New Property Leasing Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

Under HKFRS 16, the Group, as the lessee, shall recognize a lease as a right-of-use asset and a lease liability. The value of the right-of-use asset to be recognised amounts to approximately RMB42,146,000 (equivalent to approximately HK\$46,954,000). As the applicable percentage ratios (as prescribed under Chapter 14 of the Listing Rules) in respect of the transaction contemplated under the New Property Leasing Agreement will exceed 0.1% but less than 5%, the transaction is subject to the reporting, annual review and announcement requirements but is exempt from the circular (including independent financial advice) and independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Mr. Hung has abstained from voting on the board resolution of the Company to approve the New Property Leasing Agreement and the transaction contemplated thereunder.

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the approximate exchange rate of RMB1 to HK\$1.1140. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

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.