

*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)**

### **DISCLOSEABLE TRANSACTION COOPERATION IN RELATION TO THE JOINT VENTURE**

#### **THE JOINT VENTURE COMPANY**

The Board is pleased to announce that, on 25 January 2022, RM Fung Ying (as purchaser), the JV Partner (as vendor) and the Remaining Parties entered into the JV Agreement, pursuant to which RM Fung Ying agreed to acquire 49% of the equity interest in the Target Company from the JV Partner. Upon completion of the acquisition, the Target Company will become a joint venture owned as to 49% by RM Fung Ying and 51% by the JV Partner and will operate the PRC Business through its subsidiaries. RM Fung Ying and VS will also provide the Initial Capital Contribution to the Joint Venture as agreed in proportion to RM Fung Ying and the JV Partner's respective equity interest in the Joint Venture.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As one or more of the applicable percentage ratios in respect of the Company's investment in the Joint Venture exceeds 5% and all of the percentage ratios are less than 25%, the investment in the Joint Venture constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

#### **THE JOINT VENTURE COMPANY**

The Board is pleased to announce that, on 25 January 2022, RM Fung Ying (as purchaser), the JV Partner (as vendor) and the Remaining Parties entered into the JV Agreement pursuant to which RM Fung Ying agreed to acquire 49% of the equity interest in the Target Company from the JV Partner. Upon completion of the acquisition, the Target Company will become a joint venture owned as to 49% by RM Fung Ying and 51% by the JV Partner and will operate the PRC Business through its subsidiaries.

The principal terms of the JV Agreement are set out below.

- Parties involved:
- (1) the Company;
  - (2) RM Fung Ying (as purchaser);
  - (3) JV Partner (as vendor);
  - (4) VS; and
  - (5) the Target Company.

Consideration and  
shareholding  
structure:

Pursuant to the JV Agreement, the total consideration for the acquisition of 49% equity interest in the Target Company shall be US\$45 million. The consideration was arrived at after arm's length negotiations between the parties with reference to the contemplated joint venture arrangement, including, among others, a strategic partnership based on a master sourcing agreement, country brand operating agreement and other commercial agreements.

The consideration shall be settled within 10 days after the fulfillment of the condition precedent, being the merger control approvals or clearances required under the laws of the PRC having been obtained or being deemed, by applicable laws, to have been obtained, including because of the lapse, expiration or termination of the applicable waiting periods or because jurisdiction has been declined by the respective antitrust authority. It is contemplated that the consideration payable by RM Fung Ying will be funded by internal resources of the Group.

Upon completion of the acquisition, the Target Company will become a joint venture owned as to 49% by RM Fung Ying and 51% by the JV Partner. The Joint Venture will be accounted for as an associate of the Company in the consolidated financial statements of the Group.

Initial Capital  
Contribution:

Pursuant to the JV Agreement, RM Fung Ying and VS will also provide a total of US\$20 million being the initial capital contribution to the Joint Venture. Each party's contribution will be proportionate to RM Fung Ying and the JV Partner's respective equity interest in the Joint Venture.

Scope of business of the Joint Venture: The Joint Venture shall carry out the PRC Business through its subsidiaries. The PRC Business comprises, among others, the designing, developing, manufacturing, marketing and sale of certain lingerie, intimate apparel as well as marketing and sale of personal care and beauty products under the agreed trademarks of the JV Partner in the PRC (including Hong Kong).

Management and board composition of the Joint Venture: The board of directors of the Joint Venture shall consist of five directors, of whom three would be nominated by the JV Partner and two would be nominated by RM Fung Ying.

The voting power of each shareholder of the Joint Venture at the shareholders' meetings of the Joint Venture shall be in proportion to its contributed capital in the Joint Venture. Significant matters of the Joint Venture (such as changes in articles of association and issuing any shares or granting of options) shall be unanimously approved by all the shareholders of the Joint Venture.

## **INFORMATION OF THE GROUP**

The Company is an investment holding company and the principal activities of its subsidiaries include the innovation, design and manufacture of a diverse range of products, including mainly intimate wear, sports bra and apparel, consumer electronics components, footwear for global leading brands, under an innovative design manufacturing business model.

RM Fung Ying is an investment holding company and is an indirect wholly-owned subsidiary of the Company.

## **INFORMATION OF THE JV PARTNER AND VS**

The JV Partner is a company registered in the State of Delaware, the United States of America, and it's an indirect wholly-owned subsidiary of VS, which is a global intimate clothing retailer and is listed on the New York Stock Exchange. As it is a listed company, its shareholding is diverse. Based on publicly available information, the top three shareholders of VS hold 10.4%, 9.7% and 9.7% of the outstanding share capital of the VS, respectively. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, the JV Partner and top three shareholders of VS are Independent Third Parties.

VS is also one of the Company's customers. Nonetheless, VS is an Independent Third Party.

## INFORMATION OF THE TARGET COMPANY

The Target Company is an investment holding company, which will become a joint venture upon the disposal of 49% of its equity interest to RM Fung Ying. The Joint Venture shall be engaged in the PRC Business, which will be injected into the Joint Venture by the JV Partner after its internal restructuring.

Based on the unaudited consolidated statements of the PRC Business, the consolidated loss before and after taxation for the financial years ended 1 February 2020 and 30 January 2021 are as follows:

	<b>For the financial year ended (Note)</b>	
	<b>1 February 2020</b>	<b>30 January 2021</b>
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
	(unaudited)	(unaudited)
Consolidated net profit (loss) before taxation	(663,110)	(94,599)
Consolidated net profit (loss) after taxation	(669,472)	(108,967)

Based on the unaudited consolidated financial statements of the PRC Business for the year ended 30 January 2021 and the unaudited consolidated financial statements of the PRC Business for the six months ended 31 July 2021, the net asset value of the PRC Business as at 30 January 2021 and 31 July 2021 was approximately HK\$-297,278,000 and HK\$-316,508,000, respectively.

*Note:* The year-ends of the two preceding financial years are different due to the fact that the financial year for the PRC Business is on a 52-week basis commencing on the last Sunday in January or the first Sunday in February and ending on the last Saturday in January or the first Saturday in February of the next calendar year.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE JV AGREEMENT

The Directors believe that the investment in the Joint Venture will provide an opportunity for the Group to capture the growth opportunities of the PRC intimate clothing sector by leveraging on VS' brand leadership and retailing and market experience. Together with the Company's well established innovative design manufacturing capabilities and market foresight, the Directors believe that the Joint Venture (through its operating subsidiaries) will be able to conduct the PRC Business which cater for the needs and preference of the Chinese consumers and may bring potential economic benefits to the Company and its shareholders in the long run. The Directors believe that the terms of the transaction are fair and reasonable and in the interests of the Shareholders as a whole.

## LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios in respect of the Company's investment in the Joint Venture exceeds 5% and all of the percentage ratios are less than 25%, the investment in the Joint Venture constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context otherwise requires, the following expressions have the following meanings in this announcement:

“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 and whose shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region
“Independent Third Party(ies)”	third party(ies) which is(are) independent of the Company and the connected persons (as defined in the Listing Rules) of the Company
“Initial Capital Contribution”	the initial capital contribution of US\$20 million to be provided by VS and RM Fung Ying in proportion to RM Fung Ying and the JV Partner’s equity interest in the Joint Venture
“Joint Venture/Target Company”	VSCO Holdings, a company incorporated in the Cayman Islands and will be owned as to 51% by the JV Partner and 49% by RM Fung Ying after the completion of the acquisition and shall be engaged in the PRC Business, which will be injected into the Joint Venture by the JV Partner after its internal restructuring
“JV Agreement”	the joint venture agreement entered into on 25 January 2022 between RM Fung Ying, the JV Partner and the Remaining Parties in relation to the joint venture arrangement between these parties
“JV Partner”	ASLA US Holdings LLC, a company registered in the State of Delaware, the United States of America, and is an indirect wholly-owned subsidiary of VS

“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“PRC Business”	the designing, developing, manufacturing, marketing and sale of certain lingerie, intimate apparel as well as marketing and sale of personal care and beauty products under the agreed trademarks of the JV Partner in the PRC (including Hong Kong), which are carried out by the operating subsidiaries of the Joint Venture
“Remaining Parties”	the Company, VS and the Target Company
“RM Fung Ying”	Regina Miracle Fung Ying Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the Shares
“VS”	Victoria’s Secret & Co., a company registered in the State of Delaware, the United States of America, having its shares listed on the New York Stock Exchange

By Order of the Board  
**Regina Miracle International (Holdings) Limited**  
**Hung Yau Lit (also known as YY Hung)**  
*Chairman*

Hong Kong, 25 January 2022

*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.*