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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024

FINANCIAL HIGHLIGHTS

	Six months ended 30 September				
	2024		2023		
	HK$'000	***%***	*HK$'000*	*%*	Change
Revenue	**3,977,617**	**100.0**	3,544,797	100.0	12.2%
Gross profit	**938,017**	**23.6**	842,710	23.8	11.3%
Profit attributable to owners of the Company	**67,619**	**1.7**	106,823	3.0	(36.7%)
Earnings before interest, taxes, depreciation and amortisation#	**507,071**	**12.7**	556,225	15.7	(8.8%)
Adjusted profit attributable to owners of the Company#*	**203,188**	**5.1**	196,574	5.5	3.4%
Adjusted earnings before interest, taxes, depreciation and amortisation#*	**642,640**	**16.2**	645,976	18.2	(0.5%)

	Six months ended 30 September 2024		Six months ended 31 March 2024		
	HK$'000	***%***	*HK$'000*	*%*	Change
Revenue	**3,977,617**	**100.0**	3,472,005	100.0	14.6%
Gross profit	**938,017**	**23.6**	740,857	21.3	26.6%
Profit attributable to owners of the Company	**67,619**	**1.7**	36,352	1.0	86.0%
Earnings before interest, taxes, depreciation and amortisation#	**507,071**	**12.7**	455,750	13.1	11.3%
Adjusted profit attributable to owners of the Company#*	**203,188**	**5.1**	86,774	2.5	134.2%
Adjusted earnings before interest, taxes, depreciation and amortisation#*	**642,640**	**16.2**	506,172	14.6	27.0%
	HK cents		*HK cents*		
Earnings per share – basic and diluted	**5.5**		8.7		
Dividend per share	**2.5**		3.5		

These are not measures of performance under Hong Kong Financial Reporting Standards ("**HKFRS**"), but are widely used by management for monitoring business performance of a company from operational perspective. They may not be comparable to similar measures presented by other companies.

* Adjusted profit attributable to owners of the Company and adjusted earnings before interest, taxes, depreciation and amortisation are derived by excluding exceptional restructuring costs and share of net losses/profits of associates accounted for using the equity method.

The board of directors (the "**Board**") of Regina Miracle International (Holdings) Limited ("**Regina Miracle**" or the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 September 2024 ("**1HF2025**" or the "**Period**"), together with the comparative figures for the corresponding year in 2023 ("**1HF2024**").

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
For the six months ended 30 September 2024

		Six months ended 30 September	
	Note	**2024** *HK$'000* **(Unaudited)**	2023 *HK$'000* (Unaudited)
Revenue	*4*	**3,977,617**	3,544,797
Cost of sales	*6*	**(3,039,600)**	(2,702,087)
Gross profit		**938,017**	842,710
Other income, net	*5*	**18,459**	10,713
Distribution and selling expenses	*6*	**(84,273)**	(77,578)
General and administrative expenses	*6*	**(324,254)**	(268,971)
Research and development costs	*6*	**(154,092)**	(128,663)
Other operating expenses	*6*	**(127,191)**	(90,273)
Operating profit		**266,666**	287,938
Finance income		**770**	1,290
Finance costs		**(173,568)**	(154,716)
Finance costs, net	*7*	**(172,798)**	(153,426)
Share of net (losses)/profits of associates accounted for using the equity method		**(8,378)**	522
Profit before income tax		**85,490**	135,034
Income tax expenses	*8*	**(17,871)**	(28,211)
Profit for the period attributable to owners of the Company		**67,619**	106,823
Earnings per share attributable to owners of the Company (expressed in HK cents per share)			
– Basic and diluted	*9*	**5.5**	8.7

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 September 2024

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**67,619**	106,823
Other comprehensive income/(loss)		
Items that have been reclassified or may be subsequently reclassified to profit or loss		
Currency translation differences	**36,709**	(428,489)
Fair value gain/(loss) on insurance policy investments, net	**7,988**	(624)
Fair value change on trade receivables carried at fair value through other comprehensive income ("**FVOCI**")	**(33,738)**	(22,738)
Reclassification of trade receivables FVOCI reserve to factoring interests and charges upon disposals	**33,869**	22,421
Sharing of the result of an associate	**71**	283
Other comprehensive income/(loss) for the period, net of tax	**44,899**	(429,147)
Total comprehensive income/(loss) for the period attributable to owners of the Company	**112,518**	(322,324)

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2024

	Note	As at 30 September 2024 HK$'000 (Unaudited)	As at 31 March 2024 HK$'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment		**4,204,763**	4,210,405
Right-of-use assets		**453,944**	468,678
Investment properties		**116,996**	115,589
Intangible assets		**26,227**	27,469
Insurance policy investments		**232,876**	220,242
Investments in associates		**387,130**	396,682
Deposits and prepayments		**111,692**	119,164
Deferred income tax assets		**70,687**	52,882
		5,604,315	5,611,111
Current assets			
Inventories		**1,464,538**	1,225,092
Trade receivables	*10*	**1,106,951**	1,027,483
Deposits, prepayments and other receivables		**180,270**	111,486
Tax recoverable		**216**	3,299
Restricted bank deposits		**1,066**	1,162
Cash and cash equivalents		**704,743**	623,117
		3,457,784	2,991,639
Total assets		**9,062,099**	8,602,750
EQUITY			
Equity attributable to owners of the Company			
Share capital		**95,247**	95,247
Reserves		**3,387,746**	3,275,228
Total equity		**3,482,993**	3,370,475

	Note	As at 30 September 2024 HK$'000 (Unaudited)	As at 31 March 2024 HK$'000 (Audited)
LIABILITIES			
Non-current liabilities			
Borrowings	*11*	**3,532,843**	3,532,595
Other payables		**9,004**	35,420
Lease liabilities		**77,510**	81,986
Deferred income tax liabilities		**82,469**	80,403
		3,701,826	3,730,404
Current liabilities			
Trade payables	*12*	**571,941**	390,330
Accruals and other payables		**594,048**	413,770
Lease liabilities		**32,714**	40,658
Borrowings	*11*	**618,442**	621,032
Current income tax liabilities		**60,135**	36,081
		1,877,280	1,501,871
Total liabilities		**5,579,106**	5,232,275
Total equity and liabilities		**9,062,099**	8,602,750

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1 GENERAL INFORMATION

Regina Miracle International (Holdings) Limited (the "**Company**") was incorporated in the Cayman Islands on 21 September 2010 as an exempted company with limited liability under the Companies Law (2010 Revision) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment company and its subsidiaries are principally engaged in the manufacturing and trading of intimate wear, sports products, consumer electronics components and bra pads and other accessory products.

The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

This interim condensed consolidated financial information is presented in Hong Kong dollars ("**HK$**"), unless otherwise stated. This interim condensed consolidated financial information has been approved for issue by the Board of Directors on 27 November 2024.

This interim condensed consolidated financial information has been reviewed, not audited.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 September 2024 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting".

The interim condensed consolidated financial information does not include all the notes of the type normally included in an annual consolidated financial statements. Accordingly, this interim condensed consolidated financial information should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRS**").

3 MATERIAL ACCOUNTING POLICIES

The accounting policies applied to this interim condensed consolidated financial information are consistent with those of the annual financial statements for the year ended 31 March 2024, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings. Accounting policies not described in the annual financial statements for the year ended 31 March 2024, and the adoption of amended standards effective for the financial year ending 31 March 2024 are described below.

(a) New and amended standards adopted by the Group

The following new and amended standards are mandatory and have been adopted by the Group for the first time for the financial periods beginning on 1 April 2024.

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants (Amendments)
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
HK Int 5 (2020)	Hong Kong Interpretation 5 (2020) Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements (Amendments)

The adoption of the above new and amended standards did not have any significant impact on the results and financial position of the Group.

(b) Amendments and interpretation to existing and new standards not yet adopted by the Group

The following amendments and interpretation to existing and new standards have been issued but are not effective for the financial year beginning on or after 1 April 2024 and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1 April 2025
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 April 2026
HKFRS 18 (New standard)	Presentation and Disclosure in Financial Statements	1 April 2027
HKFRS 19 (New standard)	Subsidiaries without Public Accountability: Disclosure	1 April 2027
HK Int 5 (Amendments)	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 April 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group has not adopted above amendments and interpretation to existing and new standards that are not yet effective for this interim reporting period. The Group anticipates that the application of the above amendments and interpretation to existing and new standards have no material impact on the results and the financial position of the Group.

4 SEGMENT INFORMATION

Management has determined the operating segments based on the information reviewed by the chief operating decision-maker ("**CODM**") that are used to make strategic decisions. The CODM is identified as the Executive Directors of the Company.

During the six months ended 30 September 2024, the CODM assessed the performance of the Group mainly from the product perspective. The Group is organised into four segments engaged in manufacturing and trading of:

(i) Intimate wear – manufacturing and trading of bras, bra tops, panties, shapewear and swimwear.

(ii) Sports products – manufacturing and trading of sports bras, sports leggings, sports shorts and sports tops.

(iii) Consumer electronics components – production and trading of virtual reality ("**VR**") headsets and tablet PC accessories.

(iv) Bra pads and other accessory products – manufacturing and trading of bras pads, one-piece molded hats, footwear and other accessory products for further processing.

The CODM reviews the performance of the Group on a regular basis and reviews the Group's internal reporting in order to assess performance and allocate resources. The CODM assesses the performance of the operating segments based on a measure of segment results, including gross profit of the operating segments. Information relating to segment assets and liabilities is not disclosed as such information is not regularly reported to the CODM. Other information provided to the CODM is measured in a manner consistent with that as adopted for the interim condensed consolidated financial information contained herein.

Since 1 April 2024, "footwear — manufacturing and trading of casual shoes" segment has been grouped under "bra pads and other accessory products" as it became an insignificant segment. Accordingly, the comparatives have been restated.

The segment results for the six months ended 30 September 2024 are as follows:

	Six months ended 30 September 2024				
	Intimate wear *HK$'000* **(Unaudited)**	**Sports products** *HK$'000* **(Unaudited)**	**Consumer electronics components** *HK$'000* **(Unaudited)**	**Bra pads and other accessory products** *HK$'000* **(Unaudited)**	**Total** *HK$'000* **(Unaudited)**
Total segment revenue (Recognised at a point in time)	**2,248,172**	**1,327,039**	**243,811**	**158,595**	**3,977,617**
Gross profit/segment results	**551,969**	**303,229**	**48,641**	**34,178**	**938,017**
Other income, net					**18,459**
Distribution and selling expenses					**(84,273)**
General and administrative expenses					**(324,254)**
Research and development costs					**(154,092)**
Other operating expenses					**(127,191)**
Finance income					**770**
Finance costs					**(173,568)**
Share of net losses of associates accounted for using the equity method					**(8,378)**
Profit before income tax					**85,490**
Income tax expenses					**(17,871)**
Profit for the period					**67,619**

Other segment items included in the interim condensed consolidated income statement for the period ended 30 September 2024 is as follows:

	Six months ended 30 September 2024				
	Intimate wear	**Sports products**	**Consumer electronics components**	**Bra pads and other accessory products**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Depreciation for property, plant and equipment and right-of-use assets included in cost of sales	**106,655**	**62,727**	**12,518**	**7,665**	**189,565**

Depreciation for property, plant and equipment and right-of-use assets of approximately HK$189,565,000 (2023: HK$211,969,000), HK$52,135,000 (2023: HK$48,412,000) and HK$3,429,000 (2023: HK$3,543,000) has been charged to "cost of sales", "general and administrative expenses" and "research and development costs", respectively.

The segment results for the six months ended 30 September 2023 are as follows:

	Six months ended 30 September 2023				
	Intimate wear	Sports products	Consumer electronics components	Bra pads and other accessory products (restated)	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total segment revenue (Recognised at a point in time)	2,210,726	994,245	160,347	179,479	3,544,797
Gross profit/segment results	544,451	227,682	32,069	38,508	842,710
Other income, net					10,713
Distribution and selling expenses					(77,578)
General and administrative expenses					(268,971)
Research and development costs					(128,663)
Other operating expenses					(90,273)
Finance income					1,290
Finance costs					(154,716)
Share of net profits of associates accounted for using the equity method					522
Profit before income tax					135,034
Income tax expenses					(28,211)
Profit for the period					106,823

Other segment items included in the interim condensed consolidated income statement for the period ended 30 September 2023 is as follows:

	Six months ended 30 September 2023				
	Intimate wear *HK$'000* (Unaudited)	Sports products *HK$'000* (Unaudited)	Consumer electronics components *HK$'000* (Unaudited)	Bra pads and other accessory products (restated) *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Depreciation for property, plant and equipment and right-of-use assets included in cost of sales	129,824	55,392	14,168	12,585	211,969

Revenue from external customers based on the destination of the customers are as follows:

	Six months ended 30 September	
	2024 ***HK$'000*** **(Unaudited)**	2023 *HK$'000* (Unaudited)
United States	**1,739,774**	1,603,779
The People's Republic of China (the "**PRC**")	**858,482**	802,296
Europe	**487,769**	388,657
Japan	**267,096**	213,444
South-east Asia *(Note a)*	**173,796**	130,746
Canada	**100,209**	106,812
Korea	**54,813**	61,006
Hong Kong	**55,159**	55,879
Latin America	**72,119**	48,967
South Asia *(Note b)*	**47,140**	30,980
Other countries/regions *(Note c)*	**121,260**	102,231
	3,977,617	3,544,797

Note a: Includes Malaysia, Indonesia, Singapore, Philippines, Vietnam and Thailand.

Note b: Includes Bangladesh, Sri Lanka and India.

Note c: Includes Taiwan, Australia, New Zealand and others.

No analysis of segment assets or segment liabilities is presented as they are not regularly provided to the CODM.

Non-current assets, other than deposits, deferred tax assets and insurance policy investments, of the Group are located in the following geographical areas:

	As at 30 September 2024	As at 31 March 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
The PRC	**1,409,167**	1,366,768
Hong Kong	**109,650**	115,357
Vietnam	**3,770,435**	3,845,888
	5,289,252	5,328,013

5 OTHER INCOME, NET

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Scrap sales income	**8,043**	6,609
Gain on disposal of right-of-use assets	**5,145**	197
Gain/(loss) on disposal of insurance policy investment	**180**	(218)
Unrealised fair value loss on Investment properties	**(1,209)**	–
Government grants *(Note)*	**826**	851
Others	**5,474**	3,274
	18,459	10,713

Note: During the six months ended 30 September 2024 and 2023, government grants obtained mainly represented one-off training subsidies and technical innovation subsidies from the PRC Government.

6 EXPENSES BY NATURE

The following items have been charged to the interim condensed consolidated income statement during the period:

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	**225,394**	231,010
Depreciation of right-of-use assets	**19,729**	32,914
Amortisation of intangible assets	**3,661**	3,841
Cost of inventories sold	**1,485,751**	1,345,980
Reversal of loss allowance of trade receivables	**(3,512)**	(1,977)
Employee benefit expenses	**1,388,381**	1,171,699
Restructuring costs *(Note)*	**127,191**	90,273

Note: During the six months ended 30 September 2024, severance payments of approximately HK$114,659,000 (2023: HK$85,997,000) and write-off of fixed assets of approximately HK$12,532,000 (2023: HK$4,276,000) were incurred as a result of the reallocation of human resources between Shenzhen and Zhaoqing. Such restructuring costs are charged to "other operating expenses" in the interim condensed consolidated income statement.

7 FINANCE COSTS, NET

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Finance income		
– interest income on bank deposits	**770**	1,290
Finance costs		
– interest expense on borrowings and factoring interests	**(169,161)**	(149,891)
– interest expense on lease liabilities	**(4,407)**	(4,825)
	(173,568)	(154,716)
Finance costs, net	**(172,798)**	(153,426)

8 INCOME TAX EXPENSES

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits for the six months ended 30 September 2024.

The applicable tax rate for the PRC subsidiaries of the Group is 25% (2023: 25%) for the six months ended 30 September 2024.

According to a policy promulgated by the State Tax Bureau of the PRC (the "**PRC Tax Authority**") and effective from 2008 onwards, enterprises engaged in research and development activities are entitled to claim 150% to 175% of the research and development expenses so incurred in a period as tax deductible expenses in determining its tax assessable profits for that period ("**Super Deduction**"). The PRC Tax Authority has further issued a notice to announce on a further increase of the Super Deduction claim to 200% from 2022 onwards.

The subsidiaries established and operated in Vietnam were subject to corporate income tax at a rate of 20% (2023: 20%). In accordance with the applicable tax regulations, preferential tax rates and tax holidays are granted to new investment projects based on regulated encouraged sectors, encouraged locations, and size of the projects.

Regina Miracle International (Vietnam) Co., Ltd. is subject to a lower tax rate of 10% for fifteen consecutive years, commencing from the first year of making revenue. In addition, the subsidiary is entitled to full exemption from corporate income tax for the first four years from the earlier of (i) the year when profit is generated for the first time or (ii) the fourth year of making revenue; and a 50% reduction in corporate income tax for the next nine years, which is offered by the Vietnam Government and is stipulated in the subsidiary's investment license. The first year of this tax reduction period commenced in the financial year ended 31 March 2018. Starting from the year ended 31 March 2022, Regina Miracle International (Vietnam) Co., Ltd will be paying the corporate income tax at a 5% reduced rate (with a 50% reduction to its original 10% rate).

Regina Miracle International Hung Yen Co., Ltd. is entitled to full exemption from corporate income tax for the first two years from the earlier of (i) the year when profit is generated for the first time or (ii) the fourth year of making revenue; and a 50% reduction in corporate income tax for the next four years, which is offered by the Vietnam Government and is stipulated in the subsidiary's investment license. The first year of this tax reduction period commenced in the financial year ended 31 March 2022. Starting from the year ended 31 March 2024, Regina Miracle International Hung Yen Co., Ltd will be paying the corporate income tax at a 5% reduced rate (with a 50% reduction to its original 10% rate).

Income tax expenses are recognised based on management's estimate of weighted average annual income tax rate expected for the full year. The amount of income tax charged to the interim condensed consolidated income statement represents:

	Six months ended 30 September	
	2024	2023
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Current income tax	**(31,313)**	(18,210)
Deferred income tax	**13,442**	(10,001)
Income tax expenses	**(17,871)**	(28,211)

9 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	Six months ended 30 September	
	2024	2023
	(Unaudited)	(Unaudited)
Profit attributable to owners of the Company *(HK$'000)*	**67,619**	106,823
Weighted average number of ordinary shares in issue *('000)*	**1,224,250**	1,224,250
Basic earnings per share (expressed in HK cents per share)	**5.5**	8.7

(b) Diluted

Diluted earnings per share for the six months ended 30 September 2024 and 2023 is the same as the basic earnings per share as there were no potentially dilutive ordinary shares issued.

10 TRADE RECEIVABLES

	As at 30 September 2024	As at 31 March 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Trade receivables		
– carried at amortised cost	**858,028**	775,134
– carried at FVOCI	**255,696**	262,634
	1,113,724	1,037,768
Less: loss allowance of trade receivables	**(6,773)**	(10,285)
	1,106,951	1,027,483

Gross trade receivables, based on invoice date, were aged as follows:

	As at 30 September 2024 *HK$'000* **(Unaudited)**	As at 31 March 2024 *HK$'000* (Audited)
0–30 days	**697,155**	639,179
31–60 days	**165,561**	145,248
61–90 days	**47,730**	87,833
Over 90 days	**203,278**	165,508
	1,113,724	1,037,768

The credit period granted by the Group to the customers is generally 30 to 120 days. The Group does not hold any collateral as security.

As at 30 September 2024, included in the Group's trade receivables were amounts due from associates and related parties of approximately HK$170,858,000 (As at 31 March 2024: HK$80,842,000).

11 BORROWINGS

	As at 30 September 2024 *HK$'000* **(Unaudited)**	As at 31 March 2024 *HK$'000* (Audited)
Bank borrowings		
Non-current	**3,532,843**	3,532,595
Current	**618,442**	621,032
	4,151,285	4,153,627

	Six months ended 30 September	
	2024 *HK$'000* **(Unaudited)**	2023 *HK$'000* (Unaudited)
Opening balance as at 1 April	**4,153,627**	3,958,536
Proceeds from new borrowings	**1,702,218**	2,480,711
Repayments of borrowings	**(1,704,560)**	(2,389,335)
Closing balance as at 30 September	**4,151,285**	4,049,912

As at 30 September 2024, total undrawn banking facilities amounted to approximately HK$3,555,621,000 (31 March 2024: HK$3,480,498,000).

As at 30 September 2024, the Group's borrowings bore floating rates and the effective interest rate of the outstanding bank borrowings was 6.1% per annum (31 March 2024: 6.5% per annum).

As at 30 September and 31 March 2024, bank borrowings were secured by corporate guarantees provided by the Company and certain subsidiaries of the Company.

12 TRADE PAYABLES

Trade payables, based on invoice date, were aged as follows:

	As at 30 September 2024	As at 31 March 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
0–30 days	**364,366**	312,962
31–60 days	**135,825**	57,422
61–90 days	**64,937**	17,123
Over 90 days	**6,813**	2,823
	571,941	390,330

13 DIVIDENDS

Final dividend of the Company of HK2.2 cents per ordinary share, totalling HK$26,934,000 for the year ended 31 March 2024 has been paid out in October 2024.

The Board has resolved to declare an interim dividend of the Company of HK2.5 cents (2023: HK3.5 cents) per ordinary share, totalling approximately HK$30,606,000 for the six months ended 30 September 2024 (2023: HK$42,848,000).

14 COMMITMENTS

	As at 30 September 2024	As at 31 March 2024
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Contracted but not provided for:		
Property, plant and equipment and right-of-use assets	**181,706**	178,682

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

During the Period, there were various signs of recovery in global markets, with markets in Europe and the U.S. gradually regaining their vitality, while market demand in Mainland China was relatively weak. The textile and apparel industries were undergoing a series of significant changes, with agility and innovation being highly sought after in the market. Brand partners gradually regained confidence in procurement, and shifted their focus from destocking to responding quickly to market demand and product innovation. As consumer demands for product quality continue to grow, major brands are also raising their supply chain standards.

The Group's commitment to its business strategy of "prioritizing and strengthening core segments" has begun to bear fruit. Benefiting from the recovery in orders from key brand partners, the Group's two core business segments, namely intimate wear and sports products, recorded steady performance during the Period, laying the foundation for further business growth in the future. Meanwhile, the Group continued to invest in research and development ("**R&D**") and promote the application of innovative technologies and the expansion of product categories. In particular, the Group's apparel business, which utilizes patented bonding craftsmanship ("**Bonding**") developed to address market trends, has begun to gain market recognition and provide a new source of business growth for the Group. The Group plans to expand the reach of this craftsmanship to a wider array of brand partners in a bid to strengthen and deepen collaborative relationships.

In addition, the joint venture ("**VS China**") established by the Group and Victoria's Secret & Co. ("**Victoria's Secret**") maintained flat growth despite the sluggish market environment in China. The exclusive products developed by the Group for VS China not only attracted orders from Victoria's Secret's international markets, but also provided valuable experience for Regina Miracle to collaborate with more international and domestic brands to jointly explore the immense market potential in China.

BUSINESS REVIEW

Financial Performance

Benefiting from the recovery of orders from brand partners in core segments, the Group recorded revenue of approximately HK$3,977.6 million for the Period (1HF2024: HK$3,544.8 million), representing a year-on-year increase of 12.2%. Gross profit increased by 11.3% to approximately HK$938.0 million, with a gross profit margin of 23.6% (1HF2024: HK$842.7 million and 23.8%, respectively). Earnings before interest, taxes, depreciation and amortization (EBITDA) decreased by 8.8% to approximately HK$507.1 million, with EBITDA margin of 12.7% (1HF2024: HK$556.2 million and 15.7%, respectively). The Group recorded net profit of approximately HK$67.6 million for the Period, representing a year-on year decrease of 36.7%, with a net profit margin of 1.7% (1HF2024: HK$106.8 million and 3.0%, respectively). Excluding restructuring costs and share of net losses/profits of associates accounted for using the equity method, adjusted EBITDA decreased by 0.5% to approximately HK$642.6 million, with adjusted EBITDA margin of 16.2% (1HF2024: HK$646.0 million and 18.2%, respectively). Adjusted net profit for the Period was approximately HK$203.2 million, representing a year-on-year increase of 3.4%, with adjusted net profit margin of 5.1% (1HF2024: HK$196.6 million and 5.5%, respectively). Basic earnings per share attributable to owners of the Company was HK5.5 cents (1HF2024: HK8.7 cents). As at 30 September 2024, the total undrawn banking facilities amounted to approximately HK$3,555.6 million (31 March 2024: approximately HK$3,480.5 million).

The Board has resolved to declare an interim dividend of HK2.5 cents per share for Fiscal 2025 (1HF2024: HK3.5 cents per share), in line with the Group's dividend policy of distributing no less than 30% of its net profit for the financial year. The interim dividend is expected to be paid on or around Tuesday, 24 December 2024 to shareholders whose names appear on the register of members of the Company on Monday, 16 December 2024.

In recent years, the Group has delivered inventive products by focusing on craftsmanship innovation, automated production and related equipment advancement, and has introduced new categories across sectors and product lines that formed a diversified product matrix. The Group's business operations are categorized into four key segments as outlined below.

Intimate wear

Intimate wear products include bras, bra tops, panties, shapewear and swimwear.

During the Period, this business segment contributed revenue of approximately HK$2,248.2 million (1HF2024: HK$2,210.7 million), representing a moderate year-on-year increase of 1.7% and accounting for 56.5% of total revenue, and remained the Group's main source of revenue. The segment's gross profit was approximately HK$552.0 million, with a gross profit margin of 24.6% (1HF2024: HK$544.5 million and 24.6%, respectively).

During the Period, the Group supported two major brand partners to expand their product mix and launch a number of new products which have been well-received by the market. Revenue from orders placed by these brand partners increased significantly, reaching a record high for the same period. However, this increase was partially offset by the Group's proactive refinement of the brand partner structure. In the long run, the Group aims to gradually optimize its brand partner structure to ensure the long-term stable development and market competitiveness of this business segment.

Sports products

Sports products include sports bras, sports leggings, sports shorts and sports tops.

This business segment contributed approximately HK$1,327.0 million in revenue during the Period (1HF2024: HK$994.2 million), a 33.5% year-on-year increase, accounting for 33.4% of total revenue. Segmental gross profit was approximately HK$303.2 million and the gross profit margin was 22.9% (1HF2024: HK$227.7 million and 22.9%, respectively).

During the Period, the flourishing development of international sports events continued to fuel enthusiasm for sports around the world. With market demand for sports products remaining stable, sales of sports bras, the core product of this segment, achieved steady recovery. Meanwhile, the rapid growth of the Bonding apparel market has become another growth driver. In particular, international brand partners seeking to secure their market positions through differentiated products have shown increased demand for Bonding apparel products. In addition, the Group's initiative to seek cooperation with leading emerging domestic brand partners and the gradual penetration of intimate wear brand partners into sports products have provided growth momentum to this business segment.

Consumer electronics components

Consumer electronics components include accessories for virtual reality ("**VR**") headsets and tablets.

Revenue from this business segment for the Period was approximately HK$243.8 million (1HF2024: HK$160.3 million), representing a year-on-year increase of 52.1% and accounting for 6.1% of total revenue. The segment's gross profit amounted to approximately HK$48.6 million and the gross profit margin was 20.0% (1HF2024: HK$32.1 million and 20.0%, respectively).

As the consumer electronics products market has entered a new iterative cycle, the launch of new products has supported stable growth in orders for related accessories. After years of dedicated efforts, the Group has established itself as a key supplier to its core brand partners. In close collaboration with Regina Miracle, the brand partners have actively shared their product plans with the Group, enabling the Group to effectively allocate its production capacity accordingly, thereby increasing the stability of revenue in this business segment.

Bra pads and other accessory products

Bra pads and other accessory products mainly include bra pads, one-piece molded hats, footwear and other accessory products.

This business segment contributed revenue of approximately HK$158.6 million during the Period (1HF2024: HK$179.5 million), representing a year-on-year decrease of 11.6% and accounting for 4.0% of total revenue. The segment's gross profit amounted to approximately HK$34.2 million and the gross profit margin was 21.6% (1HF2024: HK$38.5 million and 21.5%, respectively). The decrease was attributable to the decline in hat orders and termination of the footwear business, but revenue from bra pad products rebounded due to the recovery of orders in the intimate wear segment.

VS China

VS China's revenue amounted to approximately HK$885.7 million in the Group's 1HF2025, representing a year-on-year increase of 0.3%, and net profit amounted to HK$18.1 million (1HF2024 of the Group: HK$882.9 million and HK$21.8 million, respectively). Affected by weak consumer sentiment, the growth of VS China has been under pressure since May this year. However, with the introduction of various economic stimulus measures in Mainland China, the consumption environment is expected to improve. Against this backdrop, VS China will launch more products to regain its growth momentum. During the Period, VS China continued to be a major brand partner of the Group and contributed significant sales growth to the Group's IDM business.

Production capacity

The Group continued to refine its production processes through four key initiatives, including structure verticalization, management intellectualization, equipment automation, and supply chain localization, to improve overall production efficiency. As the Group's primary production base, Vietnam has resumed recruitment since the first quarter of 2024 aiming to fill manpower gaps and address changes in market demand. Meanwhile, in order to cope with the existing labor shortage, the Group has applied upgraded automation technology and strengthened skill training for its employees to enhance the overall competence and efficiency of its workforce so as to ensure stable production.

In Mainland China, the relocation of the production base from Shenzhen to Zhaoqing was successfully completed in October 2024, and all production units have commenced operations. Currently, the Zhaoqing base focuses on expanding its production scale by accelerating the increase in capacity utilization. In addition, the final inspection and acceptance of the R&D facility in Zhaoqing is expected to be completed by the end of 2024, with relocation set to begin in the second half of 2025. This will facilitate the integration of production and R&D, optimize cost control and enhance overall operational efficiency, ensuring an optimal operation to meet the future "China for China" demands of our major brand partners.

In the first half of Fiscal 2025, the contribution of the Vietnam production base to the Group's total revenue reached 83% in terms of gross output. As at 30 September 2024, there were approximately 33,700 employees in Vietnam and approximately 5,000 employees in the two production bases in Mainland China.

Revenue

We derive our revenue primarily from direct sales of our products. Our total revenue increased by 12.2% from approximately HK$3,544.8 million in 1HF2024 to approximately HK$3,977.6 million in 1HF2025.

A comparison of the Group's revenue for 1HF2025 and 1HF2024 by product categories is as follows:

	Six months ended 30 September					
	2024		2023		Change	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Intimate wear	**2,248,172**	**56.5**	2,210,726	62.4	37,446	1.7
Sports products	**1,327,039**	**33.4**	994,245	28.0	332,794	33.5
Consumer electronics components	**243,811**	**6.1**	160,347	4.5	83,464	52.1
Bra pads and other accessory products	**158,595**	**4.0**	179,479	5.1	(20,884)	(11.6)
	3,977,617	**100.0**	3,544,797	100.0	432,820	12.2

Revenue generated from sales of intimate wear, sports products and consumer electronics components increased by 1.7%, 33.5% and 52.1% respectively from 1HF2024 to 1HF2025. The increase was primarily due to the increase in demand from our brand partners as a result of general recovery of market conditions and the destocking cycle underwent by our consumer brands was in later stage since second half of Fiscal 2024 ("**2HF2024**").

Revenue generated from bra pads and other accessory products (including footwear) decreased by 11.6% from 1HF2024 to 1HF2025, due to cessation of sales delivery of footwear products in 1HF2025 as a result of the Group proactively communicated with its footwear brand partners during the previous fiscal year to arrange the termination of its collaboration, enabling the strategic allocation of the released production capacity to the fast-growing bonding apparel category.

As compared to 2HF2024, our revenue increased by 14.6% from approximately HK$3,472.0 million to approximately HK$3,977.6 million in 1HF2025, mainly benefiting from overall orders from the major brand partners began to be back on track.

Cost of Sales

Cost of sales primarily consists of cost of raw materials, employee benefit expenses for personnel directly involved in our production activities, depreciation of our production equipment and others.

	Six months ended 30 September					
	2024		2023		Change	
	HK$'000	**%**	*HK$'000*	%	*HK$'000*	%
Costs of raw materials	**1,485,751**	**37.4**	1,345,980	38.0	139,771	10.4
Employee benefit expenses	**1,078,079**	**27.1**	901,520	25.4	176,559	19.6
Depreciation	**189,565**	**4.8**	211,969	6.0	(22,404)	(10.6)
Others	**286,205**	**7.1**	242,618	6.8	43,587	18.0
	3,039,600	**76.4**	2,702,087	76.2	337,513	12.5

Cost of sales as a percentage of total revenue has remained relatively stable at 76.4% in 1HF2025.

Cost of sales increased from approximately HK$2,702.1 million in 1HF2024 to approximately HK$3,039.6 million in 1HF2025 primarily due to increase in costs of raw materials and employee benefit expenses.

Gross Profit and Gross Profit Margin

	Six months ended 30 September					
	2024		2023			
	Gross Profit	**Gross Profit margin**	Gross Profit	Gross Profit margin	Change	
	HK$'000	**%**	*HK$'000*	%	*HK$'000*	%
Intimate wear	**551,969**	**24.6**	544,451	24.6	7,518	1.4
Sports products	**303,229**	**22.9**	227,682	22.9	75,547	33.2
Consumer electronics components	**48,641**	**20.0**	32,069	20.0	16,572	51.7
Bra pads and other accessory products	**34,178**	**21.6**	38,508	21.5	(4,330)	(11.2)
Gross profit	**938,017**	**23.6**	842,710	23.8	95,307	11.3

Our overall gross profit has remained relatively stable at 23.6% in 1HF2025.

As compared to 2HF2024, our gross profit margin increased by 2.3 percentage points from 21.3% in 2HF2024 to 23.6% in 1HF2025. Such increase was mainly due to improvement in production efficiency and increase in revenue arising from remarkable recovery of orders from brand partners, which partly offset by the ramp-up of Zhaoqing factory during its initial stage of operation.

Other Income

Our other income consists primarily of scrap sales income and government grants, which depends on the government grant policies and criteria during different time periods.

Distribution and Selling Expenses

Distribution and selling expenses primarily consist of freight and transportation expenses, employee benefit expenses for our sales personnel, travelling expenses, declaration charges, marketing and promotion expenses and others.

For 1HF2024 and 1HF2025, the Group's distribution and selling expenses as a percentage of total revenue remained relatively stable at 2.2% and 2.1% respectively.

Distribution and selling expenses increased from approximately HK$77.6 million in 1HF2024 to approximately HK$84.3 million in 1HF2025, primarily due to the increase in freight and transportation expenses as a result of the increase in revenue.

General and Administrative Expenses

General and administrative expenses primarily consist of employee benefit expenses for our administrative personnel, depreciation and amortisation, other taxes and surcharges, building management fees, insurance, operating lease rental of land and buildings, office and administrative expenses, bank charges, exchange loss or gain and others.

General and administrative expenses as a percentage of total revenue increased from 7.6% in 1HF2024 to 8.2% in 1HF2025, mainly due to factory relocation and related costs incurred during Zhaoqing factory's initial stage of operation. As compared to 2HF2024, general and administrative expenses as a percentage of total revenue decreased by 0.2 percentage points from 8.4% in 2HF2024.

General and administrative expenses increased from approximately HK$269.0 million in 1HF2024 to approximately HK$324.3 million in 1HF2025.

Research and Development Costs

Research and development costs consist of employee benefit expenses for our research and development personnel, raw materials and consumables used and others.

Research and development costs as a percentage of total revenue 3.6% in 1HF2024 to 3.9% in 1HF2025, was mainly due to the Company's strategic focus on R&D, which is the key element of success to the Company in revenue. As compared to 2HF2024, research and development costs as a percentage of total revenue has remained relatively stable at 3.9% in 1HF2025 (2HF2024: 4.0%).

Research and development costs increased from approximately HK$128.7 million in 1HF2024 to approximately HK$154.1 million in 1HF2025 as a result of increase in revenue.

Other Operating Expenses

To optimize its production layout in China, the Group has commenced the relocation of its Shenzhen production base by phases to the new production base in Zhaoqing.

In 1HF2025, an exceptional relocation cost of approximately HK$127.2 million (1HF2024: HK$90.3 million) was incurred, including:

- seniority compensation for employees of approximately HK$114.7 million (1HF2024: HK$86.0 million); and

- write-off of fixed assets of approximately HK$12.5 million (1HF2024: HK$4.3 million).

Finance Income

Finance income represents interest income on bank deposits.

Finance Costs

Finance costs represent interest expense on borrowings. Our finance costs as a percentage of total revenue in 1HF2024 and 1HF2025 remained relatively stable at 4.4%.

Finance costs increased from approximately HK$154.7 million in 1HF2024 to approximately HK$173.6 million in 1HF2025, as the global interest rates has remained elevated during the period.

Revenue and Net Profit of an Associate – VSCO Holdings ("VSCO")

VSCO's revenue amounted to HK$885.7 million in 1HF2025 as compared with HK$882.9 million in 1HF2024, whereas net profit amounted to HK$18.1 million in 1HF2025 as compared to HK$21.8 million in 1HF2024.

Income Tax Expenses

Income tax expenses represent our total current and deferred income tax expenses under the relevant Hong Kong, the People's Republic of China ("**PRC**") and Vietnam income tax rules and regulations.

Taxation arising in a jurisdiction is calculated at the rate prevailing in the relevant jurisdiction. For 1HF2025, the income tax expenses amounted to approximately HK$17.9 million, as compared to approximately HK$28.2 million for 1HF2024.

Adjusted earnings before interest, taxes, depreciation and amortisation ("Adjusted EBITDA")

Adjusted EBITDA are derived by excluding exceptional restructuring costs and share of net losses/profits of associates accounted for using the equity method. The Group's adjusted EBITDA margin was 16.2% in 1HF2025.

The Group's adjusted EBITDA was HK$642.6 million in 1HF2025. As compared to 1HF2024, it has remained relatively stable. As compared to 2HF2024, the Group's adjusted EBITDA in 1HF2025 was increased by 27.0% from approximately HK$506.2 million.

Net Profit

As a result of the cumulative effect of the above factors, our net profit in 1HF2025 was approximately HK$67.6 million, whereas net profit margin in 1HF2025 was 1.7%.

The Group's net profit was HK$67.6 million in 1HF2025, which decreased by 36.7% from 1HF2024. As compared to 2HF2024, the Group's net profit in 1HF2025 was increased by 86.0% from approximately HK$36.4 million.

Adjusted Net Profit

Excluding exceptional restructuring costs and share of net losses/profits of associates accounted for using the equity method, our adjusted net profit in 1HF2025 was approximately HK$203.2 million, whereas adjusted net profit margin in 1HF2025 was 5.1%.

The Group's adjusted net profit was HK$203.2 million in 1HF2025, which was increased by 3.4% from 1HF2024. As compared to 2HF2024, the Group's adjusted net profit in 1HF2025 was increased by 134.2% from approximately HK$86.8 million.

Liquidity, Financial Resources and Bank Borrowings

As at 30 September 2024, the Group's current ratio (calculated as current assets/current liabilities) was 1.8 and the Group's net debt (represented by bank borrowings less the cash and cash equivalents) was approximately HK$3,446.5 million.

Net gearing ratio as at 30 September 2024 was 99.0% (31 March 2024: 104.7%), which was calculated as net debt divided by total equity.

Excluding the currencies depreciation impact on the net assets denominated in RMB and VND, the adjusted net gearing as at 30 September 2024 was 84.0% (31 March 2024: 87.6%).

Net cash generated from operating activities increased from approximately HK$280.4 million in 1HF2024 to approximately HK$484.1 million in 1HF2025 mainly attributed to increase in operating profit in 1HF2025 as a result of increase in revenue.

Net cash used in investing activities amounted to approximately HK$217.4 million in 1HF2025. The cash used was primarily attributable to purchase of property, plant and equipment in connection with our production facilities.

During 1HF2025, net cash used in financing activities amounted to approximately HK$188.6 million. The cash outflow from financing activities was mainly due to repayment of borrowings and interest payment.

Working Capital Management

	As at	
	30 September 2024 ***(days)***	31 March 2024 *(days)*
Receivables turnover days	**49**	45
Payables turnover days	**29**	25

The receivables turnover days and payables turnover days have remained healthy and stable at 49 and 29 days respectively as at 30 September 2024.

Capital Expenditures

For 1HF2025, the total addition to property, plant and equipment, leasehold land and land use rights, and intangible assets amounted to approximately HK$224.9 million (1HF2024: HK$491.3 million), which was mainly attributable additions of production lines and construction of our production facilities at Zhaoqing.

Pledged Assets

As at 30 September 2024 and 31 March 2024, insurance policy investments in the amount of approximately HK$68.6 million and HK$69.6 million respectively was pledged for financing related insurance premium.

Foreign Exchange Risk

We mainly operate in Hong Kong, the PRC and Vietnam. Most of our operating expenses are denominated in RMB and VND, while most of our sales are denominated and settled in U.S. dollar. As the HK dollar is pegged to U.S. dollar, our foreign exchange exposure in respect of the HK dollar is considered minimal. Our management will continue to monitor foreign currency exchange exposure and will take prudent measures to minimise the currency translation risk.

Contingent Liabilities

As at 30 September 2024 and 31 March 2024, the Group did not have any significant contingent liabilities.

Material Acquisitions and Future Plans for Major Investment

Save for the investment in the construction of the production facilities, during 1HF2025, the Group did not conduct any material investments, acquisitions or disposals. In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the prospectus of the Company dated 24 September 2015, and the framework construction agreements disclosed in the announcements dated 24 July 2017 and 24 April 2018 respectively, the Group has no specific plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

Employees and Remuneration Policies

As at 30 September 2024, the Group employed a total of 39,148 full-time staff (31 March 2024: 37,006). The total staff cost of the Group (including salaries, bonuses, social insurances, provident funds and share incentive schemes) amounted to approximately HK$1,388.4 million, representing 34.9% of the total revenue of the Group.

We believe our success depends heavily upon our employees' provision of consistent, quality and reliable services. In order to attract, retain and develop the knowledge, skill level and quality of our employees, we place a strong emphasis on training our employees. We provide on-site training periodically and across operational functions, including introductory training for new employees, technical training, professional and management training, team-building and communication training.

We enter into individual employment contracts with our employees to cover matters such as wages, employee benefits, safety and sanitary conditions in the workplace, and grounds for termination. We have designed an evaluation system to assess the performance of our employees. This system forms the basis of our determinations of whether an employee should receive salary raises, bonuses or promotions. Most of our technical personnel are trained and promoted internally, leading to greater employee stability and loyalty.

Events after the Balance Sheet Date

The Group has no significant events after the reporting period and up to the date of this announcement.

FUTURE PROSPECTS AND STRATEGIES

Trend Analysis

As the destocking cycle of consumer brands ended in the first half of the fiscal year, procurement orders in the industry have become more favorable in the second half of Fiscal 2025, showing a momentum of recovery. As a result, the Group will need to further restore its production capacity to meet incoming orders. Meanwhile, brands are placing greater emphasis on their supply chain partners' ability to respond promptly to the market and deliver innovative products in a sustainable manner, and are setting higher standards for balancing demand and production planning, flexible production capacity adjustment, automation and digitization. Leveraging its core technologies, Regina Miracle has further implemented precise production planning, automation and templating while reducing the raw material supply lead time, thus reinforcing the Group's position as a unique and scarce supply chain partner among its major brand partners.

The Group's revenue from visible incoming orders in the second half of Fiscal 2025 has continued to increase year-on-year. Based on the expected progress of the resumption of production capacity, full-year revenue is expected to grow at low-teens level year-on-year. Regarding the core business segments:

- **Intimate wear**: The Group is actively developing shapewear in addition to its core products of bras and bra tops, aiming to drive business growth through category expansion. Building on the collaboration with its major brand partners, the Group will also make targeted and comprehensive efforts to explore the potential for cooperation with various emerging and quality brand partners to offset the impact of the decline in business from certain brand partners and promote a steady rebound of the overall business. Revenue from this business segment is expected to achieve low single-digit year-on-year growth in Fiscal 2025.

- **Sports products**: The Group has established a significant leading advantage in the sports bra sub-segment through product innovation, and has driven order growth by supporting its brand partners to expand their market share. Meanwhile, the rapid development of the Bonding apparel business has also injected notable growth momentum into this business segment. Coupled with the expansion of brand partners, revenue from the overall sports products business segment is expected to realize double-digit year-on-year growth in Fiscal 2025.

- **Consumer electronics components**: Market demand for VR products has increased with the arrival of a new iterative cycle. This, coupled with the launch of new product by the Group's major brand partner, has further boosted order growth. Full-year performance for Fiscal 2025 is expected to show a significant improvement compared with last year.

STRATEGIES AND OUTLOOK

I. Fortify core business of intimate wear with firm positioning and brand partner structure optimization

In order to promote the stability, adaptability and growth of its business in the long term, the Group will conduct a thorough review of its existing brand partner structure and implement a series of adjustment and refinement measures. For its major brand partners, the Group will focus its R&D efforts on the development of tailored pillar products that span multiple categories through in-depth technical collaboration and product innovation. This will ensure that the mutual collaboration remains competitive in the market, and further strengthen the long-term partnerships. Meanwhile, the Group will enhance its efforts in identifying and cultivating emerging brand partners that are closely aligned with the Group's positioning and development philosophy, strive to build a more robust and dynamic brand partner matrix, and explore deeper cooperation potential with them to pave the way for new areas of future growth. The Group will also prudently evaluate the market adaptability and business risks of its brand partners and formulate corresponding strategies to enhance the stability of its core intimate wear business across the board.

II. Leverage leading advantages in core technology and craftsmanship to drive long-term growth with Bonding product series

Regina Miracle has maintained an absolute technological leadership position and a barrier to entry in the intimate wear market for years through its long-term investment in the R&D and innovation in Bonding craftsmanship. In recent years, the Group has initiated efforts on cross-category application and expansion of its proprietary technology matrix, with particular emphasis on functional apparel products as a key area for growth. The market demand for Bonding apparel with technological aesthetics has continued to grow and has gradually established itself as a trend. The apparel products developed by the Group have begun to capture market interest, bolstered by strong recognition and collaboration from certain international and domestic fast-growing emerging sports brand partners that highly valued differentiated innovative products. Building on this foundation, the Group will seize the opportunities to promote the Bonding apparel to cover more core sports brand partners, thereby expanding the product's market penetration. In addition, intimate wear brand partners have been gradually expanding their product offerings into the sports category, which also creates broader growth prospects for the Group's sports products segment. With due consideration to the market potential, product trends and its competitive edges, the Group will strive to achieve the phased goal of growing the overall revenue of the sports products segment to the same level as the intimate wear segment over the next two to three years, while increasing the gross profit margin of the segment.

III. Over the next three years: Implement targeted strategies to achieve three major goals of "economies of scale, cost reduction and efficiency enhancement, and debt reduction" to strive for better returns

The Group will continue to improve the capacity utilization of its production bases in both China and Vietnam to support the long-term strategies of various brands for both their international and "China for China" markets, with a view to capturing the opportunities presented by the current market recovery and the momentum of the business rebound, thus laying a solid foundation for optimizing its economies of scale.

The Group is implementing a range of cost reduction and efficiency enhancement measures covering various aspects, including R&D, production, and operations, and strengthening the collective awareness of efficiency. In particular, the Group is further standardizing its R&D mechanism and implementing targeted R&D strategies to improve the conversion of R&D efforts into orders. With regard to production, the Group will continue to evaluate the organizational structure of its business and functional departments, optimize the allocation of human resources in its supporting functions, and review various operational processes so as to identify opportunities for improvement in terms of human resource efficiency. These cost reduction and efficiency improvement measures are expected to gradually yield results in Fiscal 2026.

In terms of the use of future cash inflow from profit, the Group will prioritize reducing debt levels after rewarding shareholders, so as to optimize its capital structure and achieve a more robust financial position, thereby creating better returns for shareholders.

IV. Committed to the vision for sustainable development and create shared value for all stakeholders

Regina Miracle deeply recognizes the importance of Environmental, Social and Governance (ESG) in promoting corporate sustainability. Therefore, the Group has established a governance framework that encompasses "leadership – decision-making – execution" layers to actively implement its sustainability strategies, and is committed to fully integrating environmental and social responsibility into its management decisions, day-to-day operations and corporate culture. During the Period, the Group made progress in the four major areas of its sustainability agenda, namely carbon reduction, waste management, sustainable innovation, and people and community.

In particular, the Group has submitted a group-wide carbon reduction target under the Science Based Targets initiative (SBTi). Currently, the first phase of qualification verification has been completed and the second phase of target review has been initiated. Regarding the use of renewable energy, the Group has completed the installation of the second phase of solar power generation modules at the Vietnam Factory C during the Period, and plans to install solar energy facilities at the Hung Yen factory and the Zhaoqing production base in the second half of the financial year and next year, respectively.

The Group is honored that its long-term commitment to sustainability has been widely recognized by the industry. Regina Miracle has made unremitting efforts to explore new environmentally friendly materials, research and develop innovative technologies and reform production models to create more sustainable, innovative and distinctive products.

Regina Miracle received the Sustainable Innovation Award at the Femmy Awards 2024, a testament to the Group's dedicated efforts in promoting sustainable development through innovation and technology. In addition, the laboratory at the Group's production base in China has long been accredited by the International Laboratory Accreditation Cooperation – Mutual Recognition Arrangement (ILAC-MRA) and the China National Accreditation Service for Conformity Assessment (CNAS), and the laboratory at the Group's production base in Vietnam also obtained accreditation from ILAC-MRA and the Vietnam Institute of Accreditation (VACI) in September 2024. At present, all of the Group's major laboratories in both countries have achieved international and national standards, reflecting the Group's competitive edges in the industry. The ISO50001 energy management system certification obtained by the Zhaoqing production base not only attests to the Group's implementation of energy saving and carbon reduction measures to achieve its emission reduction targets, but also demonstrates the Group's emphasis and commitment to reducing energy consumption and enhancing energy utilization efficiency.

Conclusion

Regina Miracle has remained resilient in the challenging operating environment over the past few years, and has continued to enhance its product strengths and competitiveness in the markets. The Group has steadfastly implemented the strategies of prioritizing its core business segments, leveraging the competitive edges of its unique and proprietary Bonding craftsmanship to chart a path for apparel business growth, and pursuing the "Better & Best" product positioning strategy. Meanwhile, initiatives to forge new brand partnerships and strengthen collaborations with existing brand partners are gradually yielding results. The Group has observed initial signs of market recovery in the first half of Fiscal 2025.

Nonetheless, the Group is fully aware that there is still room for improvement in key business nodes such as R&D, production efficiency and operational management. Therefore, the Group will continue to strive to maintain its leading position in product R&D, ensure stable product quality and reliable product delivery, and implement comprehensive cost reduction and efficiency enhancement measures to further optimize its cost structure. This approach aims to gradually restore and strengthen the Group's profitability while actively expanding its business scale to achieve sustainable growth.

The Group would like to express its sincere gratitude to the management team and all staff members for their unremitting efforts, and to its brand partners, supply chain partners, business partners and shareholders for their unwavering support. Going forward, Regina Miracle will continue to adhere to its core philosophy of innovation, quality and efficiency, leverage its unique advantages in Bonding craftsmanship, product R&D and market expansion, and further refine its operating strategies to keep pace with market dynamics and seize the opportunities presented by the market recovery, so as to create long-term value for its shareholders and all stakeholders.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of HK2.5 cents (the "**Interim Dividend**") (2023: HK3.5 cents) per ordinary share for the six months ended 30 September 2024 payable on or about Tuesday, 24 December 2024 to all shareholders of the Company whose names appear on the register of members of the Company on Monday, 16 December 2024.

CLOSURE OF REGISTER OF MEMBERS FOR INTERIM DIVIDEND

For the purpose of ascertaining the shareholders' entitlement for the Interim Dividend, the register of members of the Company will be closed from Thursday, 12 December 2024 to Monday, 16 December 2024, both days inclusive, during which no transfer of shares will be registered. To qualify for the Interim Dividend, shareholders should ensure that all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Wednesday, 11 December 2024.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board and the management of the Group are committed to the maintenance of good corporate governance practices and procedures. The Company has implemented and applied the principles contained within the recommended best practices as set out in Part 2 of the Corporate Governance Code (the "**CG Code**") contained in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), including reflecting those principles in the Company's relevant policies. The Board has reviewed the Company's corporate governance practices and is satisfied that save as disclosed below, the Company has complied with all code provisions of the CG Code throughout the six months ended 30 September 2024.

According to code provision C.2.1 of Part 2 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company has appointed Mr. Hung Yau Lit (also known as YY Hung) as both the Chairman and the Chief Executive Officer of the Company. The Board believes that vesting the roles of the Chairman and Chief Executive Officer in the same individual would enable the Company to achieve higher responsiveness, efficiency and effectiveness when formulating business strategies and executing business plans. The Board believes that the balance of power and authority is sufficiently maintained by the operation of the senior management and the Board, which comprises experienced and high-calibre individuals. The Board currently comprises five executive Directors (including Mr. Hung Yau Lit (also known as YY Hung)) and three independent non-executive Directors and therefore has a fairly strong independence element in its composition. The Board will nevertheless review the structure and composition of the Board from time to time in light of prevailing circumstances, in order to maintain a high standard of corporate governance practices of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix C3 of the Listing Rules as the guidelines for the Directors' dealings in the securities of the Company. Upon specific enquiries being made with all Directors, each of them confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 September 2024.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. The Audit Committee consists of three independent non-executive Directors, namely, Dr. Or Ching Fai, Mrs. To Wong Wing Yue Annie and Ms. Moh Angela Jen-Yin. Dr. Or Ching Fai is the chairman of the Audit Committee. The primary responsibilities of the Audit Committee are to assist the Board in providing an independent review and supervision of the Group's financial and accounting policies, to review the financial controls, risk management and internal control systems of the Company, to oversee the audit process, and to perform other duties and responsibilities as delegated by the Board.

The Audit Committee has reviewed with the management and the Group's independent auditor, PricewaterhouseCoopers, the accounting principles and practices adopted by the Group and discussed auditing, internal controls, and financial reporting matters including the review of the unaudited interim financial information. In addition, the Group's independent auditor has carried out a review of the unaudited interim results in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the website of The Stock Exchange of Hong Kong Limited at (www.hkexnews.hk) and that of the Company at (www.reginamiracleholdings.com). The interim report of the Company for the six months ended 30 September 2024 will be despatched to the shareholders of the Company, if necessary, and made available on the website of The Stock Exchange of Hong Kong Limited and that of the Company in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to thank all our shareholders, business partners, customers, suppliers, bankers, the management and staff for their support and contribution to the Group and its business throughout the Period.

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

Hong Kong, 27 November 2024

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. Moh Angela Jen-Yin as independent non-executive Directors.