

**Regina Miracle International (Holdings) Limited***(Incorporated in the Cayman Islands with limited liability)*

**Regina Miracle 1HF2025 Revenue Up 12.2% to HK\$3.98 billion**  
**Adjusted Net Profit Rises 3.4% YoY and 134.2% HoH to HK\$203.2 million**  
**Interim Dividend at HK\$2.5 cents**  
**Payout Ratio Reaches 45.3%**

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**Strategy of “Prioritizing and Strengthening Core Segments” Begins to Bear Fruit**  
**Bonding Apparel Business Achieves Notable Growth**  
**To Enhance Efficiency and Improve Profitability**

(Hong Kong, 27 November 2024) — **Regina Miracle International (Holdings) Limited** (“**Regina Miracle**” or the “**Company**”, together with its subsidiaries, the “**Group**”) (HKEX: 2199), a leading global intimate wear company boasting an innovative design manufacturer (“**IDM**”) business model, has announced its interim results for the six months ended 30 September 2024 (“**1HF2025**” or the “**Period**”).

Benefiting from the recovery of orders from brand partners in the core business segments, the Group recorded revenue of approximately HK\$3,977.6 million for the Period (1HF2024: HK\$3,544.8 million), representing an increase of 12.2% year-on-year and 14.6% period-on-period. Gross profit was approximately HK\$938.0 million, an increase of 11.3% year-on-year and 26.6% period-on-period, with a gross profit margin of 23.6% (1HF2024: HK\$842.7 million and 23.8%, respectively). Earnings before interest, tax, depreciation and amortization (EBITDA) increased by 11.3% period-on-period despite a year-on-year decline of 8.8% to approximately HK\$507.1 million, with an 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, down 36.7% year-on-year but up 86.0% period-on-period, 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% year-on-year to approximately HK\$642.6 million, but increased by 27.0% period-on-period, with an 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, an increase of 3.4% year-on-year and 134.2% period-on-period, with an 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.

**Mr. YY Hung, Chairman, Chief Executive Officer and Executive Director of Regina Miracle**, said, “As we enter 2025, 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. Against this backdrop, Regina Miracle'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. 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. In addition, 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

### **Supports intimate wear brand partners to expand product mix, relevant orders hit record high**

This business segment contributed revenue of approximately HK\$2,248.2 million (1HF2024: HK\$2,210.7 million) for the Period, 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.

### **Core sports product achieves steady recovery, bonding apparel business records rapid growth**

This business segment contributed approximately HK\$1,327.0 million in revenue for the Period (1HF2024: HK\$994.2 million), a 33.5% year-on-year increase, accounting for 33.4% of total revenue. 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.

### **Vietnam production base continues to improve, zhaoqing base makes steady progress**

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. 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. 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 be begun 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. As of 30 September 2024, there were approximately 33,700 employees in Vietnam and approximately 5,000 employees in the two production bases in Mainland China.

### **VS China to regain growth momentum by launching more new products**

As one of the Group's core brand partners, 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.

### **To Drive Growth with Technological Innovation and Capture Opportunity from Market Recovery to Enhance Efficiency**

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.

### **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.

### **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.

**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.

**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 edge 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.

**Mr. Hung** concluded, “ 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. I would like to express my 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.”

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**About Regina Miracle International (Holdings) Limited (維珍妮國際(控股)有限公司)**

Founded in Hong Kong in 1998, Regina Miracle International (Holdings) Limited is a global leader in the intimate wear manufacturing industry. By adopting an innovative design manufacturer (“IDM”) business model and building on a diverse technology matrix with three core technologies: computer aided mold design and production, 3D compression molding, and seamless bonding, Regina Miracle is able to develop and produce market-leading products for its long-standing world-renowned brand partners which cover various key sectors comprising intimate wear (including bras, panties, shapewear), bra pads and other accessory products, sports products (including sports bras, functional sports apparel), consumer electronics components, and footwear, and facilitate cross-sector and cross-category applications.

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