



Regina Miracle

HKEX Main Board: 2199.HK

The Innovation Design Manufacturer

• *Innovation* • *Speed* • *Quality*



FY21/22 Interim Results Presentation

29th November 2021

Together We Soar

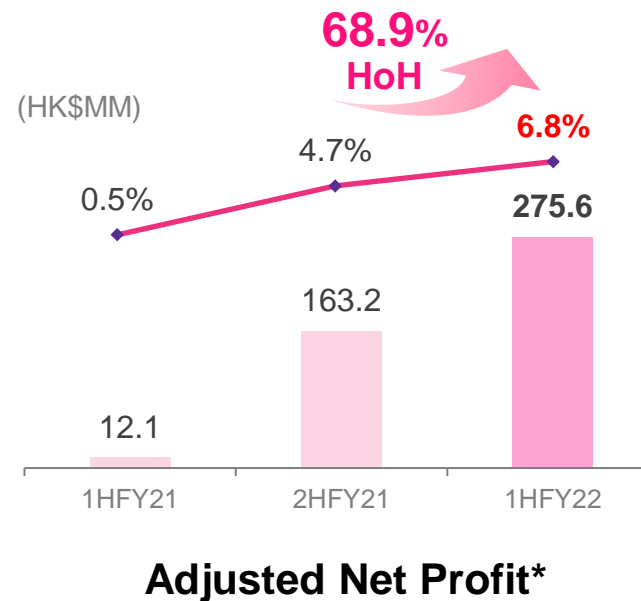
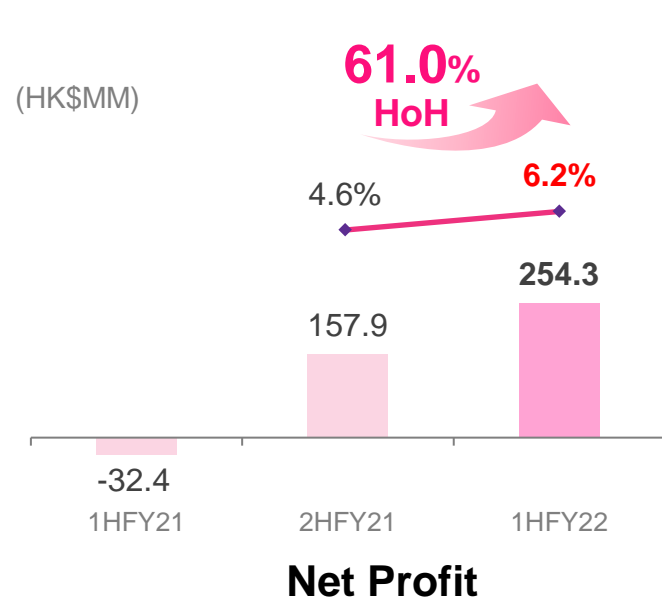
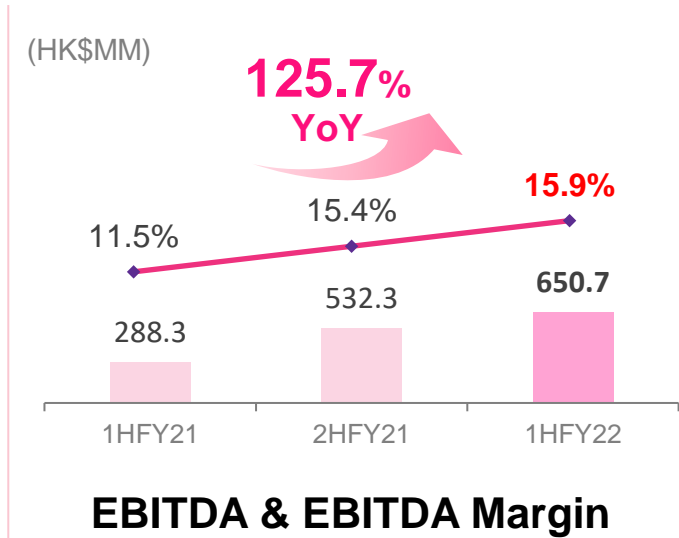
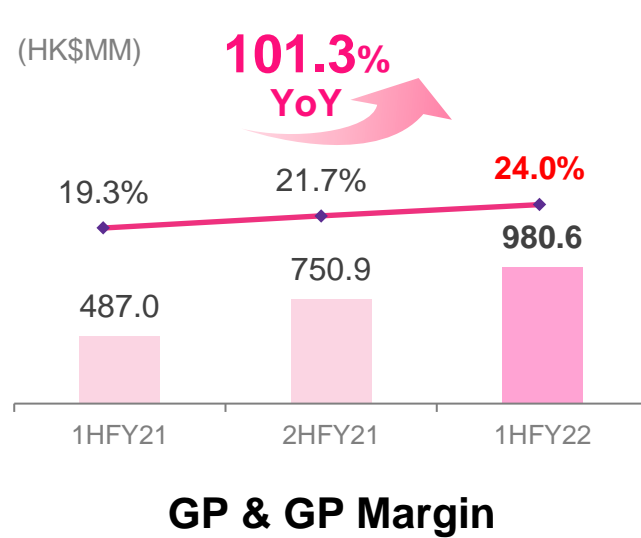
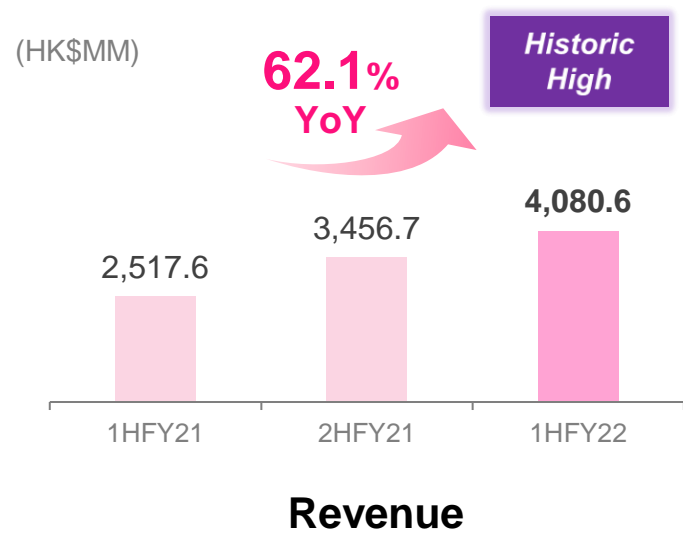
Agenda

- 1 Business Review**
- 2 Production Capability**
- 3 Financial Highlights**
- 4 Future Strategies**
 - **Market Trends & Our Core Competitiveness**
 - **Five-Year Plan**

Business Review

1

Results Highlights in 1HFY22



HK **6.8** cents

32.7% payout

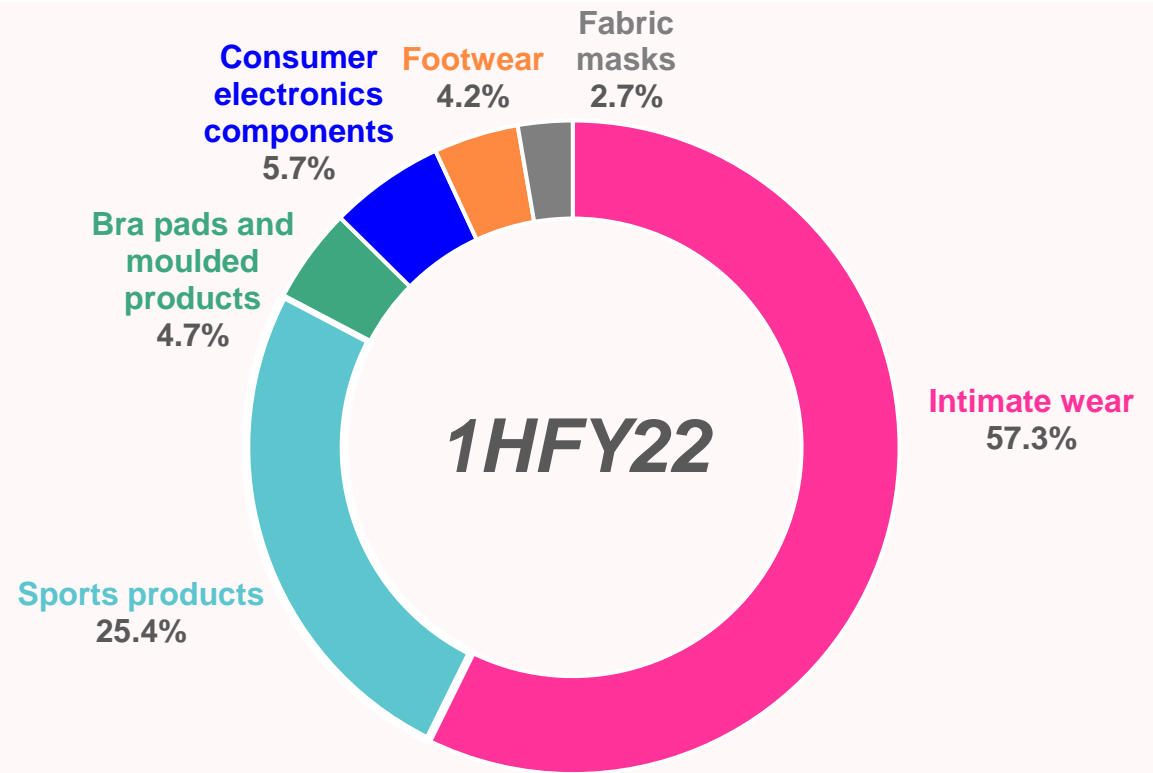
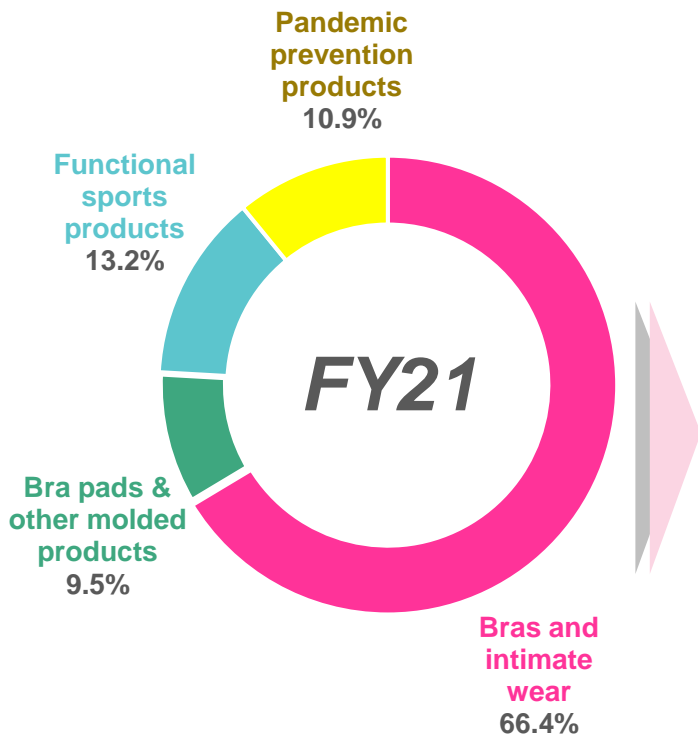
Interim dividend

[*Excluding one-off restructuring costs.]

Results Highlights – Segment Regrouping

Reclassification from 4 major segments to **6 major segments**

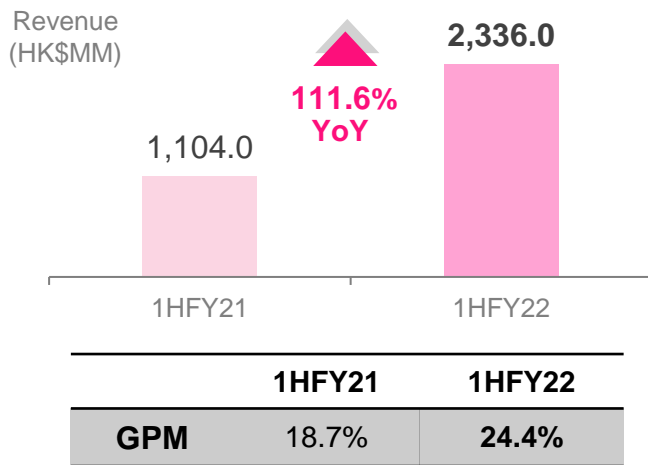
Revenue by segment



	Intimate wear	Sports products	Bra pads & moulded products	Consumer electronics components	Footwear	Fabric masks
Key Products	<ul style="list-style-type: none"> ➤ Bras ➤ Bra tops 	<ul style="list-style-type: none"> ➤ Sports bras 	<ul style="list-style-type: none"> ➤ Bra pads 	<ul style="list-style-type: none"> ➤ Virtual Reality (VR) headsets ➤ Keyboards 	<ul style="list-style-type: none"> ➤ Shoes 	<ul style="list-style-type: none"> ➤ Fabric Face Masks
Other Products	<ul style="list-style-type: none"> ➤ Panties ➤ Shapewear ➤ Swimwear 	<ul style="list-style-type: none"> ➤ Sports leggings ➤ Sports shorts ➤ Sports tops 	<ul style="list-style-type: none"> ➤ Other moulded products 	<ul style="list-style-type: none"> ➤ Laptops & tablet PC accessories 	<ul style="list-style-type: none"> ➤ Shoe Uppers 	

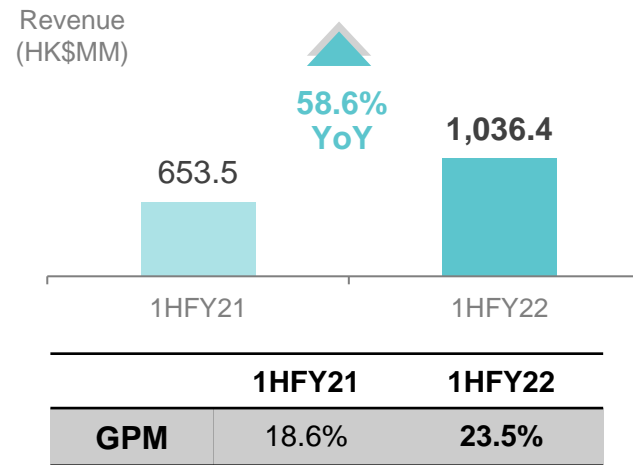
Segment Results

Intimate Wear



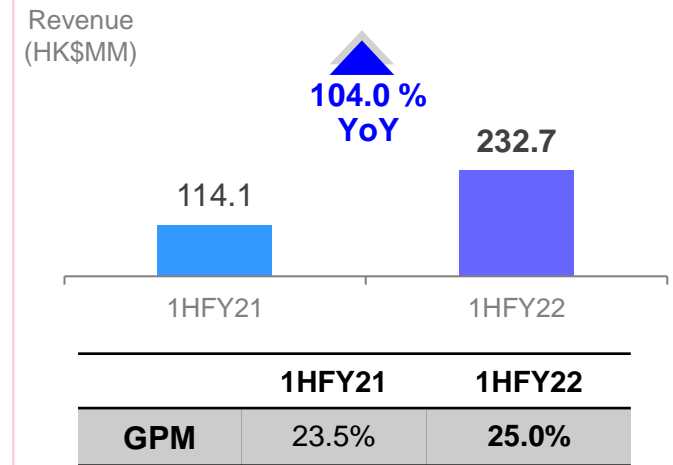
- Orders **surpassed pre-Pandemic levels**, with decent business recovery of brand partners in the US and Europe
- The **largest U.S.** brand partner saw particularly strong rebound
- **New domestic e-commerce** brand partners in **China new retail market** achieved decent growth

Sports Products



- Sports bras: category sustained strong performance with sales **doubled**
- Sportswear: **strategic reorientation** to reduce apparel products in cooperation with Japanese casualwear brand partner and focus more on bra products
- To focus on the group's expertise - **sports leggings**, with its craftsmanship and know-how favoured by both international and domestic sports brand partners

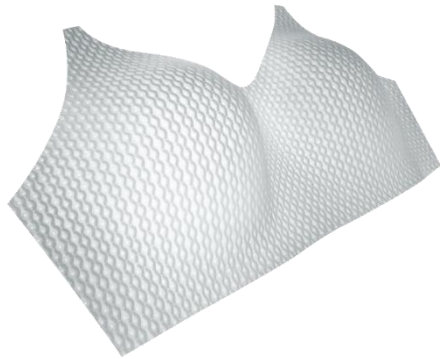
Consumer Electronics Product Components



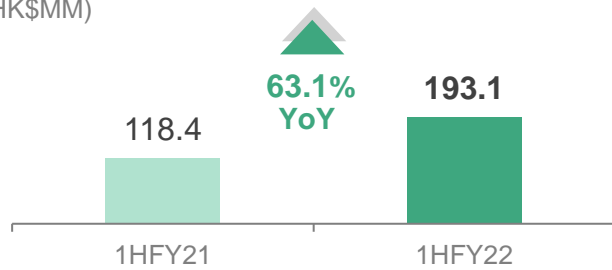
- Consumers spent more hours at home due to the Pandemic, fueling the demand for consumer electronics accessories for home use, such as **VR headsets, keyboards, mice and notebook bags**
- Based on the current forecast of orders for **2HFY22**, orders will **retain positive growth trajectory**

Segment Results

Bra Pads and Moulded Products



Revenue (HK\$MM)



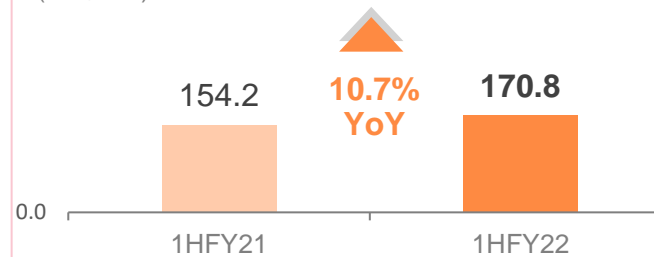
	1HFY21	1HFY22
GPM	20.6%	23.5%

- In-line with recovering demand for traditional bras and intimate wear products

Footwear



Revenue (HK\$MM)



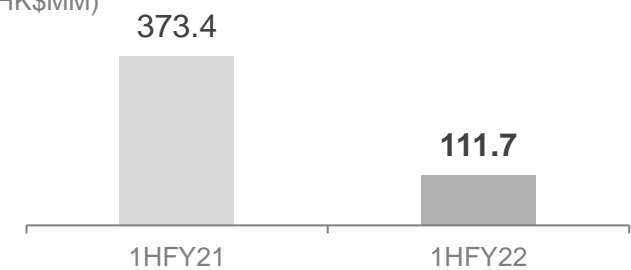
	1HFY21	1HFY22
GPM	24.6%	23.0%

- Steady double-digit sales growth sales growth maintained by its single U.S. casual footwear brand partner

Fabric Masks



Revenue (HK\$MM)



	1HFY21	1HFY22
GPM	18.7%	22.0%

- Markets responded fervently to the featured face masks for major sports brands, including the Tokyo Olympic masks produced for a well-known international sports brand



Production Capacity

2

Strategic Layout of Production Facilities



Number of Employees as of 30 September 2021: Vietnam 40,000 / Shenzhen 6,100



Vietnam

- **Hà Phòng - Vietnam Singapore Industrial Park**

Continue to satisfy demand of the export market

All-category production capability built with agility

A



Key products: Bra

B



Key products: Bra Pads

C



Key products: Sports Bra

D



Key products: REpersBond™

Hưng Yên Factory

E



Key products: Sportswear, leggings, footwear, screen print



Key products: Santoni products

- COVID-19 vaccination rate: 90%*
- The pandemic was well-controlled in Haiphong, Vietnam and surrounding provinces. All six factories in Haiphong and Hưng Yên, Vietnam have been operating normally during the Review Period.

**Staffer certificated as suitable to take the shots*



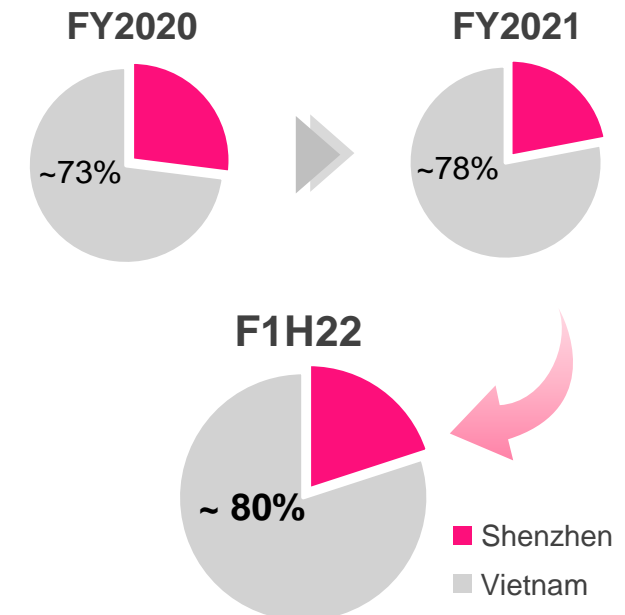
Shenzhen, China

- Continue to support **China-for-China** demands from brand partners
- R&D hub and production base



- COVID-19 vaccination rate: 100%*

Revenue Contribution by Location



PRC Factory Relocate to Zhaoqing, Greater Bay Area

- The Group has been developing new brand partners and marketing channels in the PRC and these efforts have begun to pay off
- To further capture the immense growth potential of the market, the Group plans to relocate its PRC factory to **Zhaoqing New District** of the **Guangdong-Hong Kong-Macao Greater Bay Area**, which is a key strategic location in the country's development blueprint
- Target relocation: Q4 CY2023 (i.e. F2H2024)



Access

High-speed rail

10 mins to High-speed rail station
30 mins to Guangzhou
75 mins to Shenzhen
90 mins to Hongkong

Aviation

1 hour to Guangzhou Baiyun International Airport



Site area:
~158,000M²



Floor area:
~390,000M²



Key products:
Intimate wear, sportswear
& consumer electronics
products

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Financial Highlights

Financial Highlights

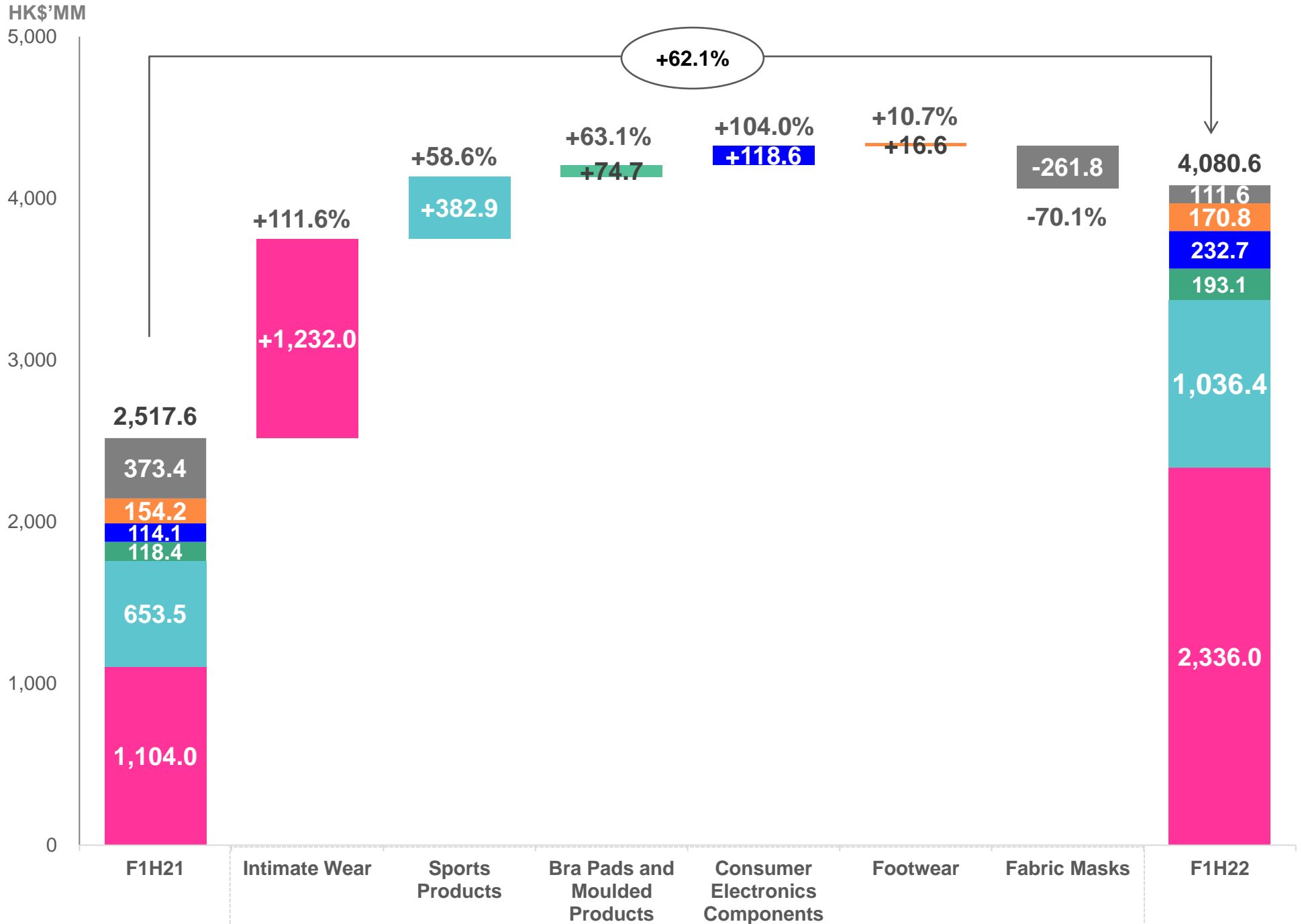
Summary

	F1H21		F1H22		Change
	HK\$m	Margin	HK\$m	Margin	
Revenue	2,517.6		4,080.6		+62.1%
Gross Profit	487.0	19.3%	980.6	24.0%	+101.3%
Net (Loss)/Profit	(32.4)	-1.3%	254.3	6.2%	NA
EBITDA	288.3	11.5%	650.7	15.9%	+125.7%
Adjusted Net Profit*	12.1	0.5%	275.6	6.8%	+2,184.1%
Adjusted EBITDA*	332.8	13.2%	671.9	16.5%	+101.9%
(HK cents)					
(Loss)/Earnings per Share	(2.6)		20.8		NA
Dividend per Share	--		6.8		NA

• Excluding the one-off expenses pertaining to the streamlining of production capacity and human resources, totaling approximately HK\$44.5 million and HK\$21.3 million for F1H21 and F1H22 respectively.

Revenue

By Segment

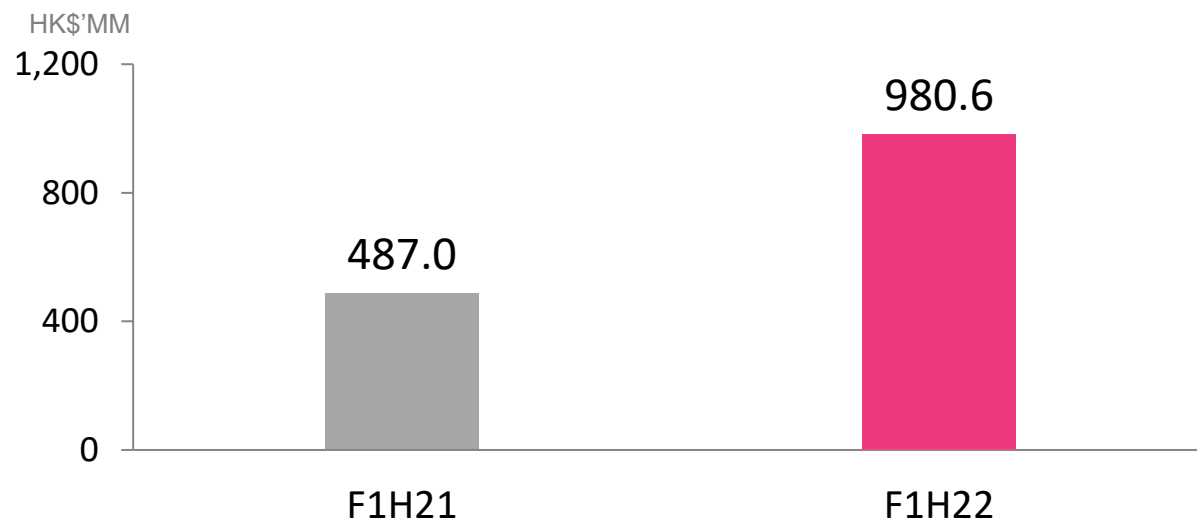


Gross Profit

Gross Profit Margin



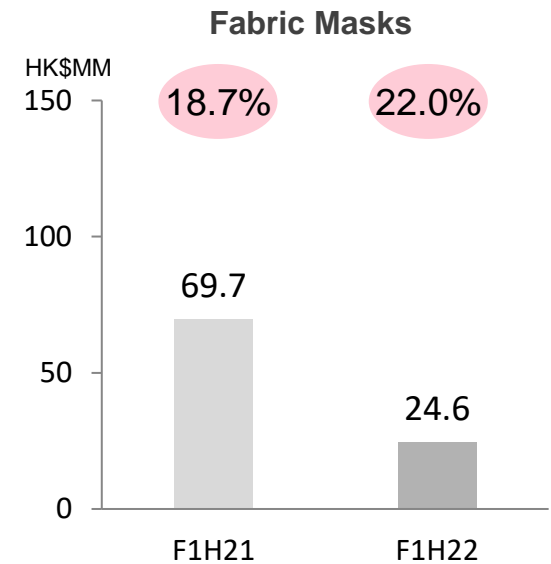
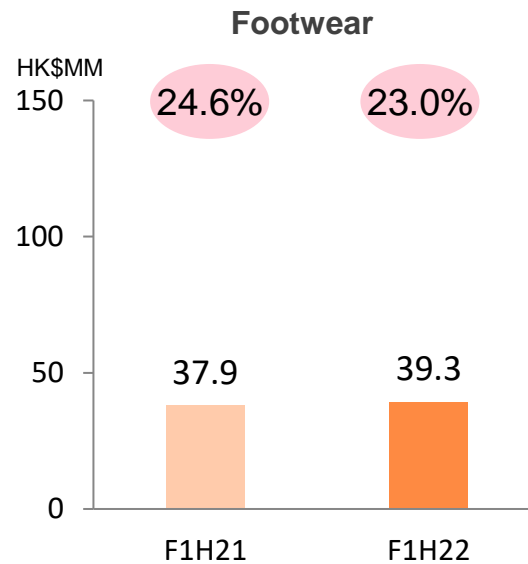
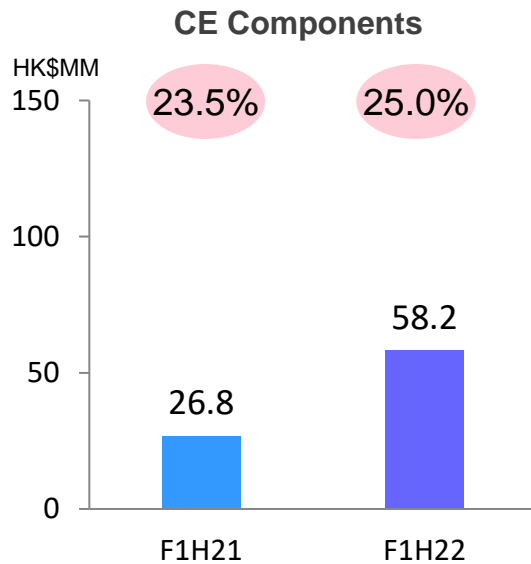
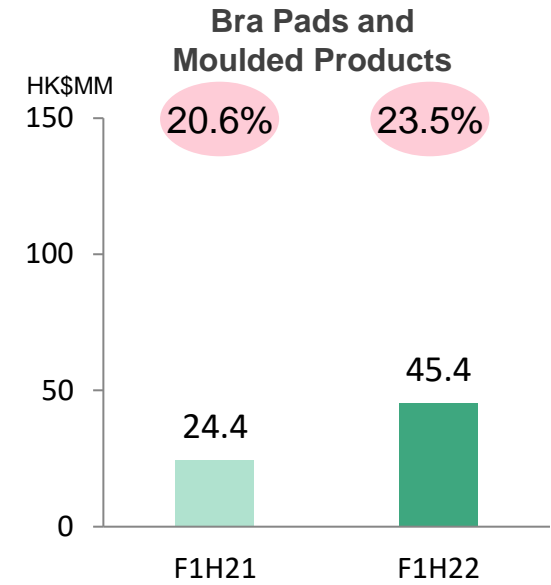
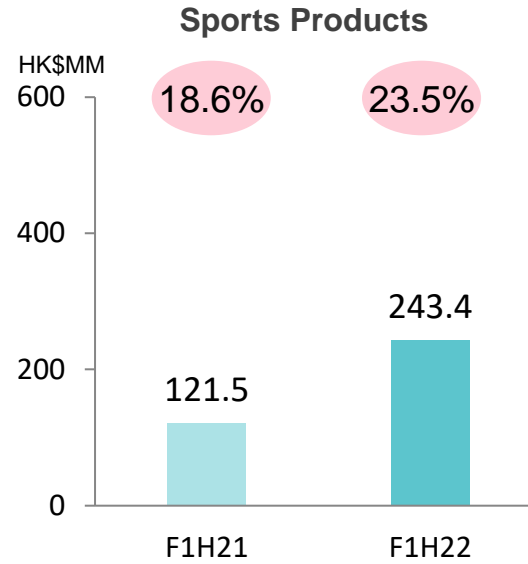
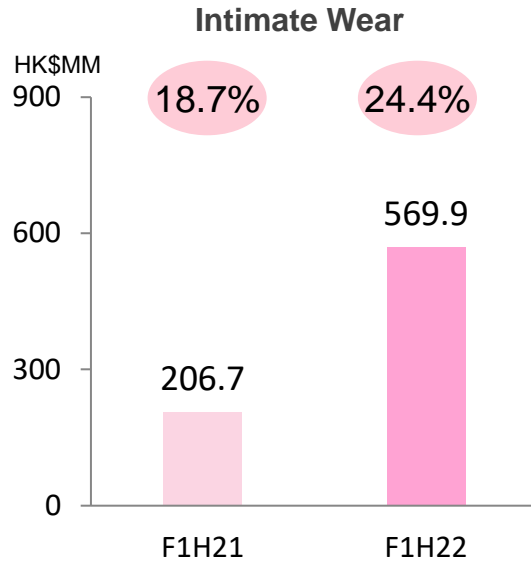
Gross Profit



Gross Profit

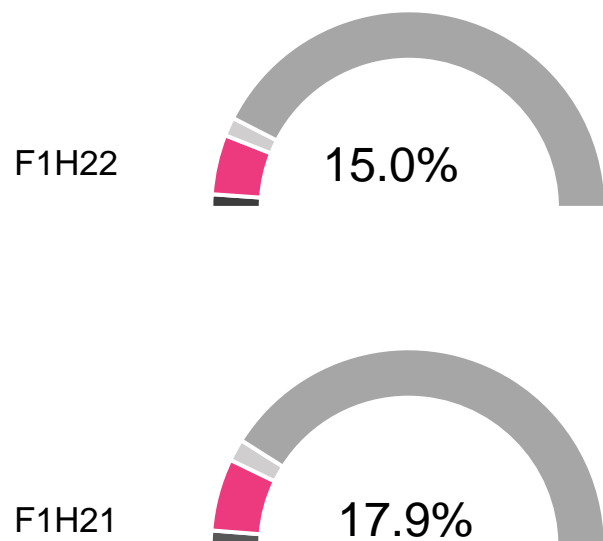
By Segment

Gross Profit Margin (%)



Operating Expenses and Finance Costs

Operating Expenses to Total Revenue



% of Total Revenue

	F1H21	F1H22
■ Distribution and Selling	2.5%	2.2%
■ General and Administrative	11.8%	9.8%
■ Research and Development	3.6%	3.0%
Operating Expenses	17.9%	15.0%
Finance Costs	2.5%	1.6%
One-off Restructuring Costs*	1.8%	0.5%

*One-off Restructuring Costs have been recorded under item "Other Operating Expenses"

Turnover Days and Gearing Ratio

As at 30 September 2021

Trade Receivables Turnover

58
Days

Average trade receivables /
Revenue * 183 days

Trade Payables Turnover

30
Days

Average trade payables /
Cost of Sales * 183 days

Net Gearing Ratio

110.4% as calculated by net debt divided by total equity.

Future Strategies

- Market Trends & Our Core Competitiveness
- Five-Year Plan

Insights on Market Trends

Product category opportunities driven by changing consumer demand



Intimate Wear



Sport Products



Metaverse
Consumer Electronics
Products

**Increasing
Market
Demand**

for

**Functionality
Innovation
Comfort
Eco-friendly**



**Shrewd foresight and ability to
offer innovative solutions**

Global Market Landscape



**US and Europe
Markets Gradually
Recovering**



**China market
One of the fastest-
growing markets**

- **E-commerce underwear brands** have been sprouting
- Government policy of “**National Fitness**” (全民健身) to encourage health and fitness

**Prevailing
Trends in Favour
of
Regina Miracle**

*Well-positioned to
capture the market
opportunities*

Our Core Competitiveness



1

Well-established technological barriers

Continuous upgrade of our core proprietary technologies

Manufacture Innovation Center

The driving force of technological advancement



- ✓ **Craftsmanship Revolutions** and corresponding new machinery development that leads the industry
- ✓ Production automation

Over **900**
R&D talents

Brand protection

Dedicated R&D teams for our major brand partners

National High-tech Enterprise

R&D design studio

Over **140**
patents

Lab accredited

Our Core Competitiveness



2

A fundamentally strong brand matrix with high growth potential

Allowing multi-segment business expansion

Intimate Wear

Sports

**Consumer
Electronics**

Brand logos redacted

Long-established partnerships with top-quality brands

Our Core Competitiveness

3

Strategic win-win partnerships with strong stickiness

REmatrixPad

REherbafoam

REsiltech

REpersBond.

REmarshmallowPad

REextraSkin

REadGrid



ReginaMiracle

INNOVATION

SPEED

A trusted partner

We offer

- ✓ Unique **market-leading innovative products**
- ✓ Consistent quality and timely delivery

QUALITY

Our Core Competitiveness



4

Mature multi-regional production capacity layout

Solid foundation for multi-businesses expansion



***To support export
business growth***



Vietnam Production Base
- mature and all ready

- ✓ Large scale
- ✓ Speed
- ✓ Quality output
- ✓ Digitized management
- ✓ Sustainability

***China-for-China
market***



China Production Base
- focuses on China market

FY2024

Zhaoqing Industrial Park
*to support long-term
China growth*

The 5-year Plan (FY2022-2026)



Revenue: robust double-digit growth in FY22 , continue teens level growth in FY23 and FY24; steady sales growth in FY25 and FY26

Product category drivers:



Intimate Wear

Sports

**“Metaverse”
fever**

Footwear

- Favourable product mix shift
- ASP growth opportunity driven by innovation-led high value product developments
- Cross-category product expansion opportunity driven by innovation capability

Market drivers:

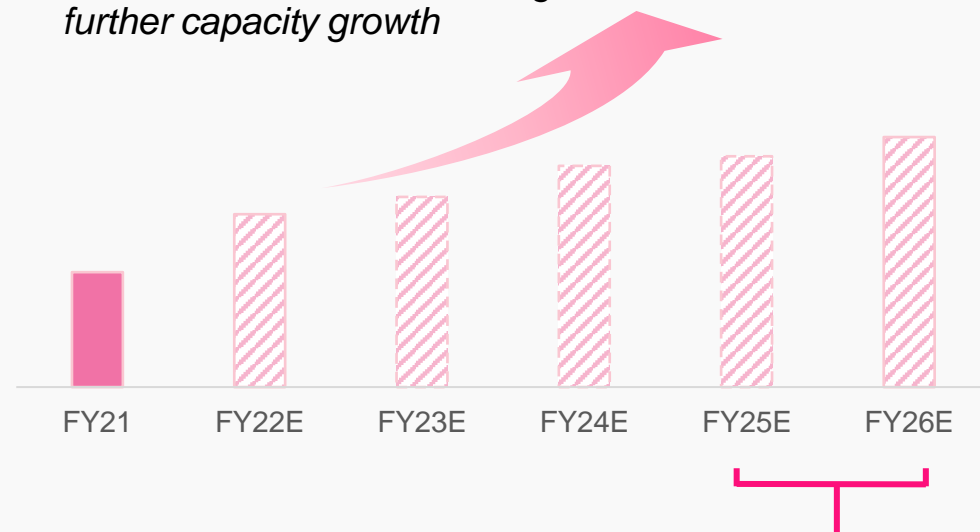
International brand partners

China New Retail

- ✓ Rebounding quickly
- ✓ Young and fast-growing new brand partners
- ✓ Newly developed market with huge growth potential
- ✓ Strong and rapid growth
- ✓ Expected to contribute meaningfully to the group's revenue

Planned Production Capacity

- Existing facilities capacity utilization to continue increasing
- Increased automation and digitalization to drive further capacity growth



With relocation targeted in 2HFY24, the new **Zhaoqing Industrial Park** will be able to contribute and support business growth in the longer term



The 5-year Plan (FY2022-2026)



***High-Value Added Product Developments
with better margin profile***

Production Efficiency Improvement

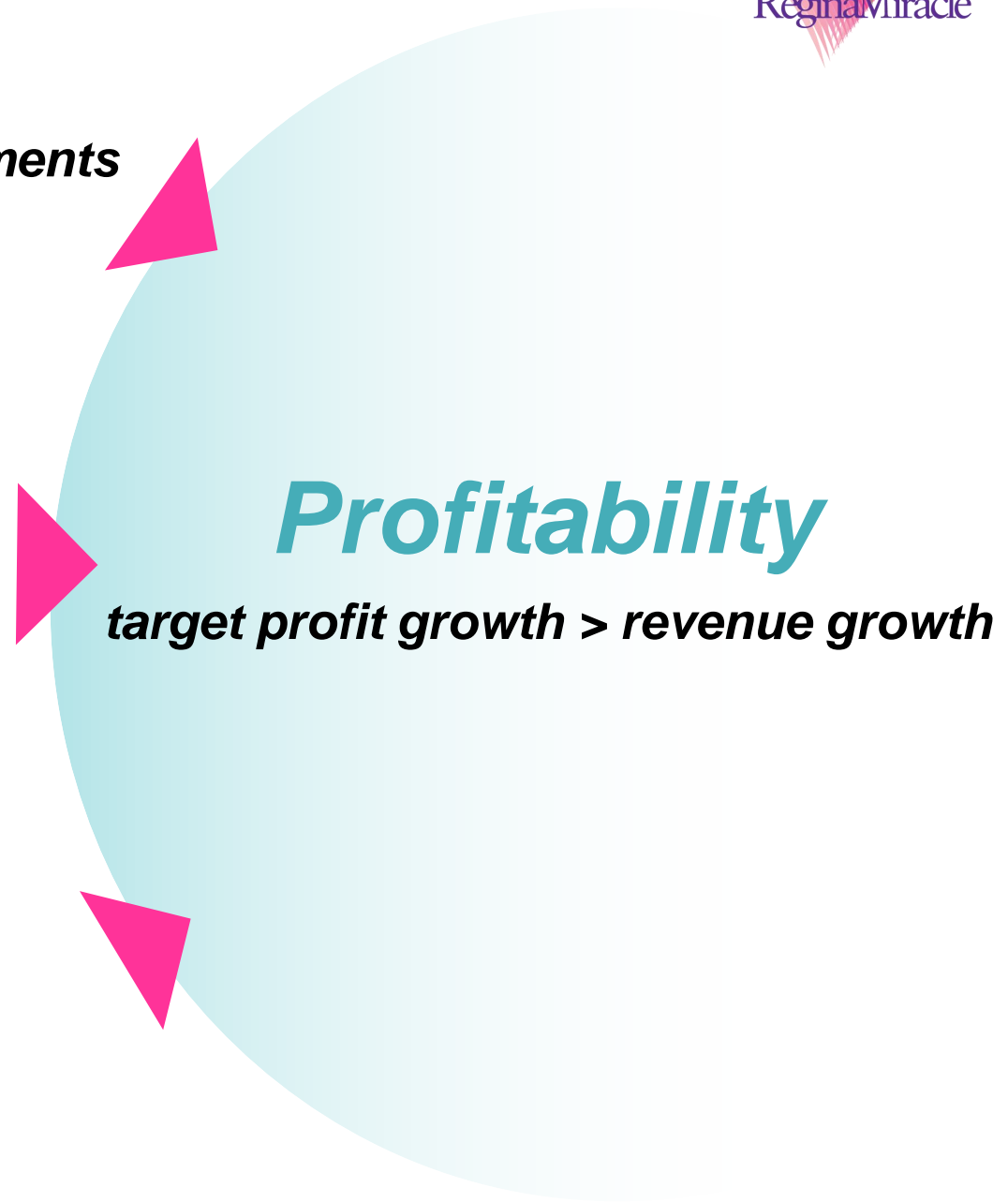
- *Labor skills and efficiency improvement*
- *Increased automation*
- *Digitization of production management*
- *Lean production planning*

Other operating leverage benefiting from...

- Economies of scale*
- A reduced and stable capex outlook*

that will help benefit

- *Depreciation expense ratio*
- *Other fixed operating expenses*



The 5-year Plan (FY2022-2026)



Healthy Cash Flow & Financial Position: for long-term sustainable growth

***Well-controlled
Capital Expenditure***



***Improved
operating cash flow***
from scale and efficiency gain



**Lowering
Net Gearing
Ratio**



Q&A