MOISELLE

MOISELLE INTERNATIONAL HOLDINGS LIMITED

慕詩國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 130)

UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

The board of directors (the "Board") of Moiselle International Holdings Limited (the "Company") is pleased to announce that the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2007, together with the comparative figures for the corresponding period in 2006, were as follows:

CONSOLIDATED INCOME STATEMENT

		Unaudited Six months ended 30 September	
(in HK$'000)	*Note*	**2007**	2006
Turnover		**173,804**	151,775
Cost of sales		**(37,545)**	(33,417)
Gross profit		**136,259**	118,358
Other revenue		**1,768**	2,524
Other net income/(expenses)		**3,113**	(239)
Selling and distribution costs		**(84,462)**	(66,429)
Administrative and other operating expenses		**(29,321)**	(21,871)
Profit from operations		**27,357**	32,343
Finance costs		**(125)**	(166)
Profit before taxation	3	**27,232**	32,177
Income tax	4	**(3,808)**	(3,179)
Profit for the period		**23,424**	28,998
Interim dividend			
2007/2008 interim	5	**11,281**	14,098
Earnings per share	6		
Basic		**$0.08**	$0.10
Diluted		**$0.08**	$0.10

CONSOLIDATED BALANCE SHEET

(in HK$'000)	*Note*	**As at 30 September 2007 (Unaudited)**		As at 31 March 2007 (Audited)	
Non-current assets					
Fixed assets					
– Investment properties			**17,130**		17,130
– Other fixed assets			**167,182**		165,334
			184,312		182,464
Other assets			**10,581**		13,558
Deferred tax assets			**3,937**		4,112
			198,830		200,134
Current assets					
Other financial assets		**514**		4,359	
Inventories		**84,595**		69,617	
Trade and other receivables	7	**57,112**		41,920	
Tax recoverable		**1,638**		1,695	
Cash and cash equivalents		**62,652**		90,306	
		206,511		207,897	
Current liabilities					
Trade and other payables	8	**53,541**		43,064	
Tax payable		**3,111**		5,446	
		56,652		48,510	
Net current assets			**149,859**		159,387
Total assets less current liabilities			**348,689**		359,521
Non-current liabilities					
Deferred tax liabilities			**7,967**		7,967
NET ASSETS			**340,722**		351,554
CAPITAL AND RESERVES					
Share capital			**2,821**		2,821
Reserves			**337,901**		348,733
TOTAL EQUITY			**340,722**		351,554

Notes:

1. Basis of preparation

These unaudited consolidated interim financial statements are prepared in accordance with the requirements of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited, including compliance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants.

2. Principal accounting policies

The accounting policies and methods of computation used in the preparation of these interim financial statements are consistent with those used in the Group's annual financial statements for the year ended 31 March 2007, except in relation to the new and revised Hong Kong Financial Reporting Standards ("HKFRSs", which term collectively includes HKASs and Interpretations) which are effective for accounting periods beginning on or after 1 January 2007 and are adopted for the first time by the Group. The adoption of the new and revised HKFRSs has had no material impact on the accounting policies of the Group and the methods of computation in the Group's consolidated financial statements for the six month ended 30 September 2007.

3. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

	Unaudited Six months ended 30 September	
(in HK$'000)	**2007**	2006
Depreciation	**8,811**	6,516
Interest on bank advances	**125**	166
Realised and unrealised (gains)/losses on trading securities	**(48)**	31
Net (gain)/loss on sale of fixed assets	**(6)**	348

4. Income tax

	Unaudited Six months ended 30 September	
(in HK$'000)	**2007**	2006
Current tax		
Hong Kong Profits Tax	**126**	203
PRC	**3,507**	2,784
	3,633	2,987
Deferred tax		
Origination and reversal of temporary differences	**175**	192
	3,808	3,179

The provision for Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the six months ended 30 September 2007. Taxation for the People's Republic of China ("PRC") and overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

5. Interim dividend

The directors have declared an interim dividend of HK4.0 cents (2006/2007: HK5.0 cents) per share for the year ending 31 March 2008 payable to the shareholders on the register of members of the Company at the close of business on 9 January 2008. The relevant dividend warrants will be despatched to shareholders on 16 January 2008.

6. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK$23,424,000 (2006: HK$28,998,000) and the weighted average number of 282,030,000 (2006: 281,950,000) ordinary shares in issue during the period.

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK$23,424,000 (2006: HK$28,998,000) and the weighted average number of 285,266,516 (2006: 284,559,337) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

Reconciliations

	Unaudited Six months ended 30 September	
(Number of shares)	**2007**	2006
Weighted average number of ordinary shares used in calculating basic earnings per share	**282,030,000**	281,950,000
Deemed issue of ordinary shares for no consideration	**3,236,516**	2,609,337
Weighted average number of ordinary shares used in calculating diluted earnings per share	**285,266,516**	284,559,337

7. Trade and other receivables

Included in trade and other receivables are trade debtors with the following ageing analysis:

(in HK$'000)	**As at 30 September 2007 (Unaudited)**	As at 31 March 2007 (Audited)
Outstanding balances with ages:		
Within 30 days	**14,473**	11,185
Between 31 to 90 days	**8,307**	10,039
Between 91 to 180 days	**2,983**	2,826
Between 181 to 365 days	**1,522**	2,013
Over 365 days	**1,360**	1,953
	28,645	28,016

Customers of wholesale business are generally granted with credit terms of 30 to 90 days. Collection of sales receipts from customers of retail business is conducted on a cash basis.

8. Trade and other payables

Included in trade and other payables are trade creditors with the following ageing analysis:

(in HK$'000)	**As at 30 September 2007 (Unaudited)**	As at 31 March 2007 (Audited)
Outstanding balances with ages:		
Within 30 days	**9,246**	5,606
Between 31 to 90 days	**1,200**	1,544
Over 90 days	**943**	1,111
	11,389	8,261

9. Segment reporting

Segment information is presented in respect of the Group's geographical segments. Information relating to geographical segments based on the location of customers is chosen because this is in line with the Group's management information reporting system.

Segment outside Hong Kong represents sales to customers located in the PRC, Taiwan and Macau.

No business segment analysis of the Group is presented because sales of garments is the only distinguishable business segment of the Group.

	Unaudited Six months ended 30 September							
	Hong Kong		Outside Hong Kong		Unallocated		Consolidated	
(in HK$'000)	**2007**	2006	**2007**	2006	**2007**	2006	**2007**	2006
Revenue from external customers	**97,974**	91,608	**75,830**	60,167	**–**	–	**173,804**	151,775
Other revenue from external customers	**–**	–	**–**	–	**358**	306	**358**	306
Total	**97,974**	91,608	**75,830**	60,167	**358**	306	**174,162**	152,081
Segment result	**11,871**	17,060	**10,605**	12,998			**22,476**	30,058
Unallocated operating income and expenses							**4,881**	2,285
Profit from operations							**27,357**	32,343
Finance costs							**(125)**	(166)
Income tax							**(3,808)**	(3,179)
Profit for the period							**23,424**	28,998
Depreciation for the period	**3,747**	3,422	**5,064**	3,094			**8,811**	6,516

REVIEW AND PROSPECTS

The Group's turnover increased by approximately 15% to approximately HK$174 million (2006: HK$152 million) during the six months ended 30 September 2007 compared with the corresponding period last year. As the established sales network in the PRC has generated improved performance, the revenue of the region outside Hong Kong increased by 26% to approximately HK$75,830,000 (2006: HK$60,167,000) during the period under review. The segment revenue reached approximately 44% of the Group's turnover during the period following the increasing trend of the past few years.

During the period, the Group's gross profit margin was approximately 78%, which is approximately the same for the corresponding period in 2006. The gross margin remained in the normal range of the brands under the Group.

Operating expenses for the six months ended 30 September 2007 totaled approximately HK$113,783,000, compared to approximately HK$88,300,000 for the same period last year with an increase of approximately 29%. The increase in operating expenses had been in a higher pace than the same period last year which was mainly attributed by the increase in rental expenses and staff costs under the highly competitive market conditions.

The profit for the period was approximately HK$23.4 million (2006: HK$29.0 million), approximately 19% lower than the corresponding period last year. The decrease is mainly attributable to the fact that the increase in operating expenses outweighed the increase in turnover and gross margin.

There were totally 65 *MOISELLE* (2006: 67 *MOISELLE*) stores located in various cities in the PRC as at 30 September 2007. Approximately one-fourth of the stores were franchised stores and the remaining were consignment stores. The Group also operated totally 9 *mademoiselle* (2006: 7 *mademoiselle*) and 15 *imaroon* (2006: 10 *imaroon*) stores in China at the end of the period under review. The new store locations for *mademoiselle* and *imaroon* brands included cities of Nanjing, Guangzhou, Kunming and Wuhan.

Concerning Hong Kong retail market, the Group operated 17 *MOISELLE*, *7 imaroon* and *4 mademoiselle* (2006: 17 *MOISELLE*, 6 *imaroon* and 4 *mademoiselle*) retail outlets as at 30 September 2007. There was one *MOISELLE* (2006: one *MOISELLE*) store in Macau and 11 *MOISELLE* (2006: 5 *MOISELLE* and one *mademoiselle*) stores in Taiwan at the end of the period under review.

During the period, the Group opened the first *COCCINELLE* retail outlet in IFC Mall in Central, Hong Kong. Moreover, the first two retail outlets of *REISS* have been opened in Time Square and Gateway in Hong Kong. The Group has also engaged in exclusive distributorship for *SEQUOIA*, a French fashion accessories brand. The contemporary and stylish design and high quality of *SEQUOIA* provides a wide range of choices to our customers in the market.

FINANCIAL POSITION

During the period, the Group financed its operations with internally generated cash flows. The Group adopts a prudent financial policy such that it can meet the financial obligations when they fall due and maintain a sufficient operating fund for the development of the Group's business. At the end of the financial period, the Group's aggregate fixed deposits and cash balances amounted to approximately HK$63 million (31 March 2007: HK$90 million). As at 30 September 2007, the Group maintained aggregate composite banking facilities of approximately HK$83 million (31 March 2007: HK$90 million) with various banks, of which approximately HK$7 million (31 March 2007: HK$2 million) was utilised.

The Group continues to enjoy healthy financial position. As at 30 September 2007, the current ratio (current assets divided by current liabilities) was approximately 3.6 times (31 March 2007: 4.3 times) and the gearing ratio (aggregate of bank borrowings and finance lease payables divided by shareholders' equity) was zero (31 March 2007: Nil).

Commitments

Capital commitments outstanding at 30 September 2007 which were contracted for but not provided for in the financial statements were HK$1,116,000 (31 March 2007: HK$438,000).

Contingent liabilities

At 30 September 2007, the Company had contingent liabilities in relation to guarantees given to banks against banking facilities extended to certain wholly owned subsidiaries amounted to approximately HK$7 million (31 March 2007: HK$2 million). The Company also had contingent liabilities in relation to guarantee given to a supplier against obligations or sums payable for goods and services supplied to certain wholly owned subsidiary amounted to approximately HK$2 million (31 March 2007: Nil).

EMPLOYEE

As at 30 September 2007, the Group employed 1,248 (31 March 2007: 1,146) employees mainly in Hong Kong and the PRC. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis. Other employee benefits include mandatory provident fund, statutory and medical insurance cover, training programmes, a share option scheme and a share award scheme.

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

There were no purchases, sales or redemptions of the Company's listed securities by the Company or any of its subsidiaries during the period.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with the code provisions listed in the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules throughout the period. The only exception is that Mr. Chan Yum Kit is the chairman of the Board and also assumes the role of the chief executive officer. The Board considers that the current management structure ensures consistent leadership and optimal efficiency for the operation of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code, throughout the period of six months ended 30 September 2007.

AUDIT COMMITTEE

The Company has an audit committee which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The audit committee comprises three independent non-executive directors of the Company.

The audit committee of the Company has reviewed with the management the accounting principles and practices adopted by the Group and the unaudited consolidated financial statements of the Group for the six months ended 30 September 2007.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 7 January 2008 to 9 January 2008, both days inclusive, during which period no transfer of shares will be effected. To qualify for the interim dividend, all transfer documents accompanied by the relevant share certificates should be lodged with the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Friday, 4 January 2008.

By Order of the Board
Chan Yum Kit
Chairman

Hong Kong, 19 December 2007

As at the date of this announcement, the Company's executive directors are Mr. Chan Yum Kit, Ms. Tsui How Kiu, Shirley, Mr. Chui Hing Yee and Mr. Chan Sze Chun, and independent non-executive directors are Ms. Yu Yuk Ying, Vivian, Mr. Chu Chun Kit, Sidney and Ms. Wong Shuk Ying, Helen.