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 2009

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 2009, together with the comparative figures for the corresponding period in 2008, were as follows:

CONSOLIDATED INCOME STATEMENT – UNAUDITED

(in HK$'000)	*Note*	**Six months ended 30 September 2009**	2008
Turnover		**186,210**	189,628
Cost of sales		**(37,187)**	(38,646)
Gross profit		**149,023**	150,982
Other revenue		**1,019**	1,998
Other net income		**130**	3,250
Selling and distribution costs		**(111,929)**	(109,940)
Administrative and other operating expenses		**(27,423)**	(32,501)
Profit from operations		**10,820**	13,789
Finance costs		**(1)**	(114)
Profit before taxation	3	**10,819**	13,675
Income tax	4	**(3,878)**	(3,607)
Profit for the period		**6,941**	10,068
Earnings per share	6		
Basic		**$0.02**	$0.04
Diluted		**N/A**	$0.04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME – UNAUDITED

(in HK$'000)	Six months ended 30 September **2009**	2008
Profit for the period	**6,941**	10,068
Other comprehensive income for the period:		
Exchange differences on translation of financial statements of PRC subsidiaries	**(335)**	(254)
Total comprehensive income for the period	**6,606**	9,814

CONSOLIDATED BALANCE SHEET – UNAUDITED

(in HK$'000)	*Note*		**As at 30 September 2009**		As at 31 March 2009
Non-current assets					
Fixed assets					
– Investment properties			**15,820**		15,820
– Other fixed assets			**194,626**		199,036
			210,446		214,856
Other assets			**12,105**		14,226
Deferred tax assets			**3,060**		3,002
			225,611		232,084
Current assets					
Inventories		**69,237**		73,349	
Trade and other receivables	7	**51,332**		47,185	
Cash and cash equivalents		**111,307**		100,432	
		231,876		220,966	
Current liabilities					
Trade and other payables	8	**53,458**		49,507	
Tax payable		**3,715**		4,194	
		57,173		53,701	
Net current assets			**174,703**		167,265
Total assets less current liabilities			**400,314**		399,349
Non-current liabilities					
Deferred tax liabilities			**15,395**		15,395
NET ASSETS			**384,919**		383,954
Capital and reserves					
Share capital			**2,821**		2,821
Reserves			**382,098**		381,133
TOTAL EQUITY			**384,919**		383,954

Notes:

1. Basis of preparation

These unaudited consolidated interim financial statements are prepared in accordance with the applicable disclosure provisions 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 2009, 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 2009 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 2009.

3. Profit before taxation

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

	Six months ended 30 September	
(in HK$'000)	**2009**	2008
Depreciation	**10,686**	10,656
Interest on bank advances and other borrowings wholly repayable within five years	**1**	114
Net realised and unrealised losses on equity securities	**–**	14
Net losses/(gain) on sale of fixed assets	**242**	(44)

4. Income tax

	Six months ended 30 September	
(in HK$'000)	**2009**	2008
Current tax		
Hong Kong Profits Tax	**130**	9
PRC	**3,806**	3,672
	3,936	3,681
Deferred tax		
Origination and reversal of temporary differences	**(58)**	(74)
	3,878	3,607

The provision for Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the six months ended 30 September 2009. 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 HK2.0 cents (2008/2009: HK2.0 cents) per share for the year ending 31 March 2010 payable to the shareholders on the register of members of the Company at the close of business on 13 January 2010. The relevant dividend warrants will be despatched to the shareholders on 20 January 2010.

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$6,941,000 (2008: HK$10,068,000) and the weighted average number of 282,030,000 (2008: 282,030,000) ordinary shares in issue during the period.

The diluted earnings per share for the six months ended 30 September 2009 is not presented as the Company does not have dilutive potential ordinary shares in existence during the period.

For the six months ended 30 September 2008, the calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of approximately HK$10,068,000 and the weighted average number of 283,534,955 ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

Reconciliations

	Six months ended 30 September	
(Number of shares)	**2009**	2008
Weighted average number of ordinary shares used in calculating basic earnings per share	**282,030,000**	282,030,000
Effect of deemed issue of ordinary shares under the Company's share option scheme for nil consideration	**–**	1,504,955
Weighted average number of ordinary shares used in calculating diluted earnings per share	**282,030,000**	283,534,955

7. Trade and other receivables

Included in trade and other receivables are trade debtors (net of allowance for doubtful debts) with the following ageing analysis:

(in HK$'000)	**As at 30 September 2009**	As at 31 March 2009
Outstanding balances aged:		
Within 30 days	**10,035**	16,060
Between 31 to 90 days	**7,476**	2,700
Between 91 to 180 days	**1,133**	752
Between 181 to 365 days	**73**	1
Over 365 days	**21**	–
	18,738	19,513

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 2009**	As at 31 March 2009
Outstanding balances aged:		
Within 30 days	**6,069**	3,441
Between 31 to 90 days	**1,482**	353
Over 90 days	**588**	488
	8,139	4,282

9. Segment reporting

The Group manages its business by entities, which are organised by geography. Information regarding the Group's reporting segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the six months ended 30 September 2009 and 2008 is set out below.

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

	Six months ended 30 September							
	Hong Kong		**Outside Hong Kong**		**Unallocated**		**Consolidated**	
(in HK$'000)	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
Revenue from external customers	**92,385**	104,123	**93,825**	85,505	**–**	–	**186,210**	189,628
Other revenue from external customers	**–**	–	**–**	–	**282**	288	**282**	288
Reportable segment revenue	**92,385**	104,123	**93,825**	85,505	**282**	288	**186,492**	189,916
Reportable segment profit	**1,062**	3,674	**8,610**	4,867			**9,672**	8,541
Unallocated operating income and expenses							**1,148**	5,248
Profit from operations							**10,820**	13,789
Finance costs							**(1)**	(114)
Income tax							**(3,878)**	(3,607)
Profit for the period							**6,941**	10,068

REVIEW AND PROSPECTS

The Group's turnover decreased by approximately 2% to approximately HK$186,210,000 (2008: HK$189,628,000) during the six months ended 30 September 2009 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 10% to approximately HK$93,825,000 (2008: HK$85,505,000) during the period under review. The segment revenue reached approximately 50% 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 80%, which was similar to that for the corresponding period in 2008. The gross margin remained in the normal range of the brands under the Group.

Operating expenses for the six months ended 30 September 2009 totaled approximately HK$139,352,000, compared to approximately HK$142,441,000 for the same period last year with a slight decrease of approximately 2%. The decrease in operating expenses had been attributable to the effective management measures to control administrative and other operating expenses such as staff costs during the period.

The profit for the period was approximately HK$6.9 million (2008: HK$10.1 million), approximately 31% lower than the corresponding period last year. The decrease was mainly attributable to the decrease in turnover and which in turn was caused by the slow down of Hong Kong retail market after the financial tsunami last year.

There were totally 58 *MOISELLE* (2008: 68 *MOISELLE*) stores located in various cities in the PRC as at 30 September 2009. 40 (2008: 45) out of the 58 (2008: 68) stores were operated as consignment stores and 13 (2008: 8) were retail shops. The remaining ones were operated by franchisees. The Group also operated totally 12 *mademoiselle* (2008: 18 *mademoiselle*) and 10 *imaroon* (2008: 12 *imaroon*) stores in China at the end of the period under review. The *REISS* Store in Sanlitun, Beijing was also maintained during the period under review.

Concerning Hong Kong retail market, the Group operated 16 *MOISELLE*, 7 *imaroon* and 3 *mademoiselle* (2008: 17 *MOISELLE*, 8 *imaroon* and 3 *mademoiselle*) retail outlets as at 30 September 2009. There was two *MOISELLE* (2008: two *MOISELLE*) stores in Macau and 7 *MOISELLE* and 4 *mademoiselle* (2008: 9 *MOISELLE*, one *mademoiselle* and one *imaroon*) stores in Taiwan at the end of the period under review.

The Group also maintained two (2008: one) retail outlets of *COCCINELLE*, an Italian fashion accessories brand, three (2008: three) retail outlets of *REISS*, a UK high street fashion brand, and one (2008: one) point of sales of *SEQUOIA*, a French accessories brand in the *imaroon* shop during the period. The additional retail outlet of *COCCINELLE* was opened at the Gateway shopping mall during the period. By establishing retail outlets in the shopping districts with high pedestrian flows, in addition to strategically launched marketing campaigns, the Group successfully expanded the brand mix and increased the brand equity of the brands under the Group.

The management has refreshed the brand image of *MOISELLE* with the *New Look* theme to capture new groups of customers with different niche requirements. In addition, resources would continue to be concentrated in design and development and customer services enhancement in order to provide prestige brand choice to the customers. Various measures would also be implemented by the management to control costs and expenses under the current economic conditions.

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$111 million (31 March 2009: HK$100 million). As at 30 September 2009, the Group maintained aggregate composite banking facilities of approximately HK$68 million (31 March 2009: HK$68 million) with various banks, of which approximately HK$7 million (31 March 2009: HK$6 million) was utilised.

The Group continues to enjoy healthy financial position. As at 30 September 2009, the current ratio (current assets divided by current liabilities) was approximately 4.1 times (31 March 2009: 4.1 times) and the gearing ratio (aggregate of bank borrowings and finance lease payables divided by shareholders' equity) was zero (31 March 2009: zero).

Commitments

Capital commitments outstanding at 30 September 2009 which were contracted for but not provided for in the financial statements were HK$596,000 (31 March 2009: HK$687,000).

Contingent liabilities

At 30 September 2009, the Company and its subsidiaries 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 2009: HK$6 million). At 30 September 2009, the Company had also issued a single guarantee to a supplier against obligations or sums payable for goods and services supplied to a wholly owned subsidiary amounted to approximately HK$1 million (31 March 2009: 1 million).

EMPLOYEE

As at 30 September 2009, the Group employed 1,133 (31 March 2009: 1,241) 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 of six months ended 30 September 2009. 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 2009.

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 2009.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 11 January 2010 to 13 January 2010, 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, 8 January 2010.

By Order of the Board
Chan Yum Kit
Chairman

Hong Kong, 21 December 2009

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.