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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 2011

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 2011, together with the comparative figures for the corresponding period in 2010, were as follows:

CONSOLIDATED INCOME STATEMENT

<i>(in HK\$'000)</i>	<i>Note</i>	Unaudited Six months ended 30 September 2011	2010
Turnover		213,494	201,047
Cost of sales		(38,333)	(38,739)
Gross profit		175,161	162,308
Other revenue		2,443	1,352
Other net loss		(162)	(587)
Selling and distribution costs		(119,257)	(113,485)
Administrative and other operating expenses		(32,149)	(30,615)
Profit from operations		26,036	18,973
Finance costs		(1)	–
Share of losses of a jointly controlled entity		(75)	(109)
Net gain on disposal of a property	3	65,516	–
Profit before taxation	4	91,476	18,864
Income tax	5	(12,329)	(1,860)
Profit for the period		79,147	17,004
Attributable to:			
Equity shareholders of the Company		79,147	17,004
Earnings per share	7		
Basic		HK\$0.28	HK\$0.06
Diluted		HK\$0.28	HK\$0.06

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited	
	Six months ended	
	30 September	
<i>(in HK\$'000)</i>	2011	2010
Profit for the period	79,147	17,004
Other comprehensive income for the period		
(after tax):		
Exchange differences on translation of		
financial statements of subsidiaries outside		
Hong Kong	<u>5,379</u>	<u>366</u>
Total comprehensive income for the period	<u>84,526</u>	<u>17,370</u>
Attributable to:		
Equity shareholders of the Company	<u>84,526</u>	<u>17,370</u>

CONSOLIDATED BALANCE SHEET

		As at 30 September 2011 (Unaudited)	As at 31 March 2011 (Audited)
(in HK\$'000)	Note		
Non-current assets			
Fixed assets			
– Investment properties		25,220	25,220
– Other fixed assets		340,828	343,506
		<u>366,048</u>	<u>368,726</u>
Other assets		16,062	50,096
Deferred tax assets		7,282	6,793
		<u>389,392</u>	<u>425,615</u>
Current assets			
Inventories		59,400	63,193
Trade and other receivables	8	50,178	49,349
Tax recoverable		334	334
Cash and bank deposits		263,495	170,661
		<u>373,407</u>	<u>283,537</u>
Current liabilities			
Trade and other payables	9	56,590	57,121
Tax payable		16,250	9,921
		<u>72,840</u>	<u>67,042</u>
Net current assets		<u>300,567</u>	<u>216,495</u>
Total assets less current liabilities		<u>689,959</u>	<u>642,110</u>
Non-current liabilities			
Deferred tax liabilities		43,471	43,471
NET ASSETS		<u>646,488</u>	<u>598,639</u>
Capital and reserves			
Share capital		2,822	2,822
Reserves		643,666	595,817
TOTAL EQUITY		<u>646,488</u>	<u>598,639</u>

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 2011, 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 2011 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 2011.

3. Net gain on disposal of a property

On 16 June 2011, the Group entered into a binding provisional agreement for sale and purchase for the disposal of a property in Hong Kong at a consideration of HK\$253,708,000. Further details in relation to the disposal were set out in the Company’s announcement dated 17 June 2011 and the Company’s circular dated 25 August 2011. The disposal was completed on 29 June 2011 and the net gain on disposal of approximately HK\$65,516,000 was arrived at based on the difference of the original purchase price of HK\$187,495,000 and the consideration of disposal after the deduction of expenses.

4. Profit before taxation

Profit before taxation is arrived at after charging:

	Unaudited Six months ended 30 September	
<i>(in HK\$'000)</i>	2011	2010
Depreciation	10,246	9,580
Impairment losses on fixed assets	835	–
Impairment losses on trade debtors	–	295
Interest on bank advances and other borrowings	1	–
Net loss on disposal of fixed assets	–	268
	=====	=====

5. Income tax

	Unaudited Six months ended 30 September	
(in HK\$'000)	2011	2010
Current tax		
Hong Kong Profits Tax	10,775	80
Overseas	2,042	2,052
	12,817	2,132
Deferred tax		
Origination and reversal of temporary differences	(488)	(273)
	12,329	1,859

The provision for Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) of the estimated assessable profits for the six months ended 30 September 2011. 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.

6. Dividends

The directors have declared an interim dividend of HK5.0 cents (2010/2011: HK4.0 cents) per share for the year ending 31 March 2012 payable to the shareholders on the register of members of the Company at the close of business on 6 January 2012. The directors have also declared a special dividend of HK\$6.0 cents (2010/2011: Nil) per share for the year ending 31 March 2012 payable to the shareholders on the register of members of the Company at the close of business on 6 January 2012. The relevant dividend warrants will be despatched to the shareholders on 13 January 2012.

7. 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\$79,147,000 (2010: HK\$17,004,000) and the weighted average number of 282,130,000 (2010: 282,030,000) 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\$79,147,000 (2010: HK\$17,004,000) and the weighted average number of 284,953,650 (2010: 283,257,135) ordinary shares after adjusting for the effects of all dilutive potential ordinary shares.

Reconciliations

	Unaudited	
	Six months ended	
	30 September	
<i>(Number of shares)</i>	2011	2010
Weighted average number of ordinary shares used in calculating basic earnings per share	282,130,000	282,030,000
Effect of deemed issue of ordinary shares under the Company's share option scheme for nil consideration	2,823,650	1,227,135
Weighted average number of ordinary shares used in calculating diluted earnings per share	284,953,650	283,257,135

8. Trade and other receivables

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

	As at	As at
	30 September	31 March
	2011	2011
<i>(in HK\$'000)</i>	(Unaudited)	(Audited)
Outstanding balances aged:		
Within 30 days	15,559	13,843
Between 31 to 90 days	2,655	7,631
Between 91 to 180 days	215	410
Between 181 to 365 days	–	182
Over 365 days	82	–
	18,511	22,066

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.

9. Trade and other payables

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

<i>(in HK\$'000)</i>	As at 30 September 2011 (Unaudited)	As at 31 March 2011 (Audited)
Outstanding balances aged:		
Within 30 days	3,971	3,598
Between 31 to 90 days	616	1,072
Over 90 days	515	508
	<u>5,102</u>	<u>5,178</u>

10. Segment reporting

The Group manages its businesses by geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

- The Hong Kong operation represents the sales of house brands and imported brands in Hong Kong.
- The outside Hong Kong operation represents the manufacture of house brands in Mainland China and sales of house brands and imported brands in Mainland China, Macau, Taiwan and Singapore.

<i>(in HK\$'000)</i>	Unaudited Six months ended 30 September					
	Hong Kong		Outside Hong Kong		Total	
	2011	2010	2011	2010	2011	2010
Revenue from external customers	102,404	99,908	111,090	101,139	213,494	201,047
Inter-segment revenue	15,952	20,149	16,205	19,873	32,157	40,022
Reportable segment revenue	<u>118,356</u>	<u>120,057</u>	<u>127,295</u>	<u>121,012</u>	<u>245,651</u>	<u>241,069</u>
Reportable segment profit	15,240	9,933	8,515	8,274	23,755	18,207
Other revenue and net loss					2,281	766
Finance costs					(1)	–
Share of losses of a jointly controlled entity					(75)	(109)
Net gain on disposal of a property					65,516	–
Profit before taxation					<u>91,476</u>	<u>18,864</u>

REVIEW AND PROSPECTS

The Group's turnover increased by approximately 6% to approximately HK\$213,494,000 (2010: HK\$201,047,000) during the six months ended 30 September 2011 compared with the corresponding period last year. As the established sales network in Hong Kong has maintained satisfactory performance, the revenue of the Hong Kong region increased by 2% to approximately HK\$102,404,000 (2010: HK\$99,908,000) during the period under review. The segment revenue represented approximately 48% of the Group's turnover during the period which highlighted the importance of the local market to the Group. The revenue of the outside Hong Kong region increased by approximately 10% to approximately HK\$111,090,000 (2010: HK\$101,139,000) during the period under review mainly due to the expansion in sales network in Taiwan and the improved performance in Macau and Singapore markets.

During the period, the Group's gross profit margin was approximately 82% (2010: 81%), which was slightly higher than that for the corresponding period in 2010. The gross margin remained in the normal range of the brands under the Group.

Operating expenses for the six months ended 30 September 2011 totaled approximately HK\$151,406,000, compared to approximately HK\$144,100,000 for the same period last year with an increase of approximately 5%. The increase in operating expenses had been attributable mainly to the increase in rental expenses and staff costs and was in line with the increase in turnover during the period.

The profit for the period was approximately HK\$79.1 million (2010: HK\$17.0 million), approximately 365% higher than the corresponding period last year. Excluding the net gain on disposal of a property, the profit for the period would be approximately HK\$24.4 million (2010: HK\$17.0 million), approximately 44% higher than the corresponding period last year. The increase was mainly attributable to the improvement in gross profit margin which had been benefited from the increase in sales of higher margin products within the Group's product mix during the period under review.

There were totally 58 *MOISELLE* (2010: 63 *MOISELLE*) stores located in various cities in the PRC as at 30 September 2011. 38 (2010: 42) out of the 58 (2010: 63) stores were operated as consignment stores and 16 (2010: 15) were retail shops. The remaining ones were operated by franchisees. The Group also operated totally 7 *mademoiselle* (2010: 7 *mademoiselle* and 2 *imaroon*) stores in China at the end of the period under review.

Concerning Hong Kong market, the Group operated 15 *MOISELLE*, 2 *imaroon* and 4 *mademoiselle* (2010: 15 *MOISELLE*, 3 *imaroon* and 3 *mademoiselle*) retail outlets as at 30 September 2011. There were two (2010: two) *MOISELLE* stores in Macau and 15 *MOISELLE* and 4 *mademoiselle* (2010: 12 *MOISELLE* and 5 *mademoiselle*) stores in Taiwan at the end of the period under review.

The Group operated one (2010: one) retail store of *MOISELLE* in Singapore during the period. The location was chosen at the Marina Bay Sands Shoppes which had high potential of raising brand awareness whilst the shopping mall brought about new customers to *MOISELLE* brand.

During the period under review, the Group maintained its flagship store in the mainland China in the MIXC shopping mall, Hangzhou which incorporated independent stores of *MOISELLE*, *mademoiselle*, *REISS*, *COCCINELLE* and *SEQUOIA*. The Group opened a new *COCCINELLE* store in TaiKoo Hui shopping mall, Guangzhou and maintained the store of *REISS* in Sanlitun, Beijing during the period. In Hong Kong market, the Group maintained one (2010: two) retail outlet of European brands *COCCINELLE*, an Italian fashion accessories brand and one (2010: two) retail outlet of *REISS*, a UK high street fashion brand during the period. The one (2010: one) retail outlet of *SEQUOIA*, a French accessories brand was operated by the jointly controlled entity of the Group during the period under review. 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.

Recently the Group has launched a new brand, *GERMAIN*, and opened its retail store at Matheson Street, Causeway Bay. The brand would provide distinctive designs to modern, discerning women that are both desirable and practical for each season, with a sense of understated luxury and restrained elegance. The Group has also opened a new flagship store of *MOISELLE* at Pak Sha Road, Causeway Bay to provide exclusive and refreshed shopping experience to our target customers.

The management will continue to upgrade the brand image of *MOISELLE* with differentiated themes 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 had been implemented by the management to continuously increase efficiency of the Group's resources.

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\$263 million (31 March 2011: HK\$171 million). As at 30 September 2011, the Group maintained aggregate composite banking facilities of approximately HK\$51 million (31 March 2011: HK\$48 million) with various banks, of which approximately HK\$10 million (31 March 2011: HK\$15 million) was utilised.

The Group continues to enjoy healthy financial position. As at 30 September 2011, the current ratio (current assets divided by current liabilities) was approximately 5.1 times (31 March 2011: 4.2 times) and the gearing ratio (aggregate of bank borrowings and finance lease payables divided by shareholders' equity) was zero (31 March 2011: zero).

Commitments

Capital commitments outstanding at 30 September 2011 which were contracted for but not provided for in the financial statements were HK\$0.7 million (31 March 2011: HK\$150 million).

Contingent liabilities

At 30 September 2011, 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\$10 million (31 March 2011: HK\$15 million). At 30 September 2011, 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 2011: HK\$3 million).

EMPLOYEE

As at 30 September 2011, the Group employed 988 (31 March 2011: 1,023) 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 and a share option 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 2011. 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 2011.

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 2011.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 4 January 2012 to 6 January 2012, both days inclusive, during which period no transfer of shares will be effected. To qualify for the interim dividend and the special 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 Tuesday, 3 January 2012.

By Order of the Board
Chan Yum Kit
Chairman

Hong Kong, 28 November 2011

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.