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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)

CONTINUING CONNECTED TRANSACTIONS
SUPPLEMENTAL ANNOUNCEMENT

Reference is made to the announcement of Moiselle International Holdings Limited (the “**Company**”) dated 23 August 2022 in relation to the continuing connected transactions (the “**Announcement**”). Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

In addition to the information set out in the Announcement, the Board wishes to provide to the Shareholders and potential investors of the Company with additional information about the continuing connected transactions.

The Continuing Connected Transactions

Boo Gie Garment and Nice Power commenced business relationship in year 2021 from the season of fall 2021 retail business period of which covered July to November 2021. Ladieswear has been the main goods in seasons of fall/winter 2021 and spring/summer 2022 and menswear are developed starting from season of fall 2022. The transactions were negotiated and incorporated under purchase orders received, sales contracts and goods supply and purchase agreement agreed by both parties. The transactions are summarised as follows:

<i>In HK\$'000</i>	(a)	(b)	(c)	(d)	(e)	(f)
Nature	Purchase order received	Purchase order received	Sales contract	Sales contract	Sales contract	Goods supply and purchase agreement
Date of agreement	30 September 2021	30 November 2021	12 January 2022	8 July 2022	12 July 2022	23 August 2022
Relevant season and time period covered (retail business period)	Fall 2021: July – September 2021 (July – November 2021)	Winter 2021: October – December 2021 (October 2021 – February 2022)	Spring 2022: January – March 2022 (January – May 2022) and Summer 2022: April – June 2022 (April – August 2022)	Fall 2022: July – September 2022 (July – November 2022)	Fall 2022: July – September 2022 (July – November 2022)	From Fall 2022 to Summer 2023: from July – September 2022 (from July – November 2022) to April – June 2023 (April – August 2023)
Products	ladieswear	ladieswear	ladieswear	menswear	ladieswear	menswear and ladieswear
Expected delivery period	July – September 2021	October – December 2021	January – March 2022 and April – June 2022	July – September 2022	July – September 2022	July 2022 – June 2023
Estimated sales amount under agreement	756	652	1,051	653	1,472	7,385 (including estimated sales amounts of (d) and (e))
Recognised sales amount as at 31 March 2022	756	652	165	–	–	–
Recognised sales amount as at 23 August 2022	756	652	1,032	333	679	1,012 (including recognised sales amount of (d) and (e))
Pricing policies	Fixed unit price	Fixed unit price	Fixed unit price	Fixed unit price	Fixed unit price	Fixed unit price
Listing Rules requirements compliance	Exempt	Exempt (standalone and in aggregate with (a))	Exempt (standalone and in aggregate with (a) and (b))	Subject to disclosure requirements under Rule 14A.35 (in aggregate with (a) – (c))	Exempt (standalone) and subject to disclosure requirements under Rule 14A.35 (in aggregate with (a) – (d))	Subject to and compliant with disclosure requirements under Rule 14A.35 (standalone and in aggregate with (a) – (e))

The above transactions formed individual and continuing connected transactions subject to applicable requirements under the Listing Rules. The management has closely monitored the negotiation and execution of agreements across all seasons of the years 2021 and 2022. For the financial year ended 31 March 2022 (“FY2022”), the relevant estimated sales amounts were HK\$2,459,000, and the relevant recognised sales amounts being HK\$1,573,000, plus sample and accessory charges of HK\$138,000, arrived at HK\$1,711,000. For the financial year ending 31 March 2023 (“FY2023”), the relevant estimated sales amounts are HK\$7,385,000 and the relevant recognised sales amounts as at 23 August 2022 arrived at HK\$1,879,000. The estimated sales amounts for FY2022 and FY2023 in aggregate are subject to disclosure requirements under Rule 14A.35 of the Listing Rules and are exempt from the independent shareholders’ approval requirements under Rule 14A.36 of the Listing Rules.

Compliance of the Listing Rules and Remedial Actions

The above transactions under sales contracts (d) and (e) were subject to Rule 14A.35 of the Listing Rules when aggregated with purchase orders and sales contract (a) to (c). The Company had not timely complied with the relevant disclosure requirements in July 2022. The Company has not any intention of non-compliance with any Listing Rules on purpose. The Company has proposed the remedial actions in respect of the non-compliance including: the management has formed special task force to closely monitor the continuing connected transactions with the aim of full compliance with applicable Listing Rules requirements continuously; the management will report to the independent non-executive directors the latest update on the continuing connected transactions on monthly basis; the internal audit function of the Group will include the review of continuing connected transactions in its annual review report to be submitted to the Board; the Board will put on the agenda the review of the relevant compliance of continuing connected transactions in each of its meetings to be convened since next meeting; and the Board will consult external counsel on relevant matters from time to time during the year(s) the continuing connected transactions are carried out to ensure full compliance of all applicable requirements of the Listing Rules.

The Annual Cap

The Company had set the annual cap for the continuing connected transactions based on the goods supply and purchase agreement (the “**Agreement**”), a kind of framework agreement, entered into by Boo Gie Garment and Nice Power on 23 August 2022. The Agreement covers the time period from April 2022 to end of March 2023 in respect of the seasons of fall 2022, winter 2022, spring 2023 and summer 2023. The Board hereby updates the annual cap referred to in the Announcement to a lower amount of HK\$7,386,000. The annual cap will limit the goods supply in relation to the Agreement (inclusive of sales contracts (d) and (e)) to be not more than HK\$7,386,000.00 during FY2023. Although there are uncertainties on whether the actual demand of goods in the coming seasons of FY2023 will sustain, the Company had set the annual cap at its best estimates based on the market conditions and current economic environment.

If there will be any changes in the terms of the Agreement, the Company will disclose the changes accordingly and comply with all applicable requirements under the Listing Rules. The annual cap is set based on the Agreement sales amount of HK\$7,385,000 and in case there will be favourable business growth and increased goods quantity to be agreed by the parties which cause the sales of goods to increase beyond the annual cap, the Company will closely monitor and comply with all necessary applicable requirements under the Listing Rules before carrying out any manufacturing and delivery of goods.

Pricing Policies

The pricing policies of the above transactions are established at fixed unit price which are the same as in normal commercial practices. The goods under the Agreement will be charged at FOB prices with terms mutually agreed by both the Supplier and the Purchaser based on prices of goods of similar specifications and natures supplied to independent customers. The FOB prices are determined based on ex-factory prices for each style with profit margin of 15% to 73% depending on the order quantity. Basic profit margin of 15% is charged for sourcing of exquisite raw materials and accessories and merchandising services provided. Additional profit margin is charged when order is lower than minimum order quantity of 50 pieces, at surcharge of 15% for order quantity from 20 to 49 pieces and of 50% for order quantity from 1 to 19 pieces respectively. Minimum order quantity can otherwise fluctuate depending on availability of fabric and other accessory materials and will be agreed by both parties. The Board has reviewed and approved the pricing mechanisms and the annual cap and considered that (i) the pricing mechanisms and the terms of the transactions set out in the Agreement are clear and specific; (ii) the annual cap is reasonable taking into account historical transactions and management projections; and (iii) the methods and procedures established by the Company are sufficient to ensure that the transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and its Shareholders as a whole.

By order of the Board of
Moiselle International Holdings Limited
Chan Yum Kit
Chairman

Hong Kong, 22 September 2022

As at the date of this announcement, the Company's executive Directors are Mr. Chan Yum Kit, Ms. Tsui How Kiu, Shirley 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.