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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 2022

The board of directors (the “**Board**”) of Moiselle International Holdings Limited (the “**Company**”) announces that the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2022, together with the comparative figures for the corresponding period in 2021, are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>(in HK\$'000)</i>	<i>Notes</i>	Unaudited Six months ended 30 September 2022	2021
Revenue	2	56,133	67,012
Cost of sales		<u>(13,818)</u>	<u>(17,013)</u>
Gross profit		42,315	49,999
Other income		7,483	9,325
Other gains and losses		(1,356)	579
Distribution and selling expenses		(39,225)	(56,016)
Administrative and other operating expenses		<u>(24,837)</u>	<u>(28,918)</u>
Loss from operations		(15,620)	(25,031)
Gain on change in fair value of investment property		–	429
Finance costs		<u>(820)</u>	<u>(1,607)</u>
Loss before taxation		(16,440)	(26,209)
Income tax expense	3	<u>(325)</u>	<u>(317)</u>
Loss for the period	4	<u>(16,765)</u>	<u>(26,526)</u>
Other comprehensive (expense) income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<u>(392)</u>	<u>1,045</u>
Total comprehensive expense for the period		<u>(17,157)</u>	<u>(25,481)</u>

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

<i>(in HK\$'000)</i>	<i>Note</i>	Unaudited Six months ended 30 September 2022	2021
Loss for the period attributable to:			
Owners of the Company		(16,721)	(26,401)
Non-controlling interests		<u>(44)</u>	<u>(125)</u>
		<u>(16,765)</u>	<u>(26,526)</u>
Total comprehensive expense attributable to:			
Owners of the Company		(17,113)	(25,356)
Non-controlling interests		<u>(44)</u>	<u>(125)</u>
		<u>(17,157)</u>	<u>(25,481)</u>
Loss per share			
Basic (<i>HK dollars</i>)	5	<u>(0.06)</u>	<u>(0.09)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in HK\$'000)	Notes	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
Non-current assets			
Investment properties		250,916	250,916
Property, plant and equipment		342,927	351,249
Right-of-use assets		16,739	32,134
Deposits paid		7,381	6,991
Deferred tax assets		-	243
		617,963	641,533
Current assets			
Inventories		30,596	30,617
Trade and other receivables	7	30,667	28,239
Bank balances and cash		13,639	14,424
		74,902	73,280
Current liabilities			
Trade and other payables	8	26,025	30,041
Lease liabilities		26,409	38,520
Tax payable		60	140
Borrowings		32,781	12,917
		85,275	81,618
Net current liabilities		(10,373)	(8,338)
Total assets less current liabilities		607,590	633,195
Non-current liabilities			
Lease liabilities		9,391	17,839
Deferred tax liabilities		100,543	100,543
		109,934	118,382
Net assets		497,656	514,813
Capital and reserves			
Share capital		2,880	2,880
Reserves		496,023	513,136
Equity attributable to owners of the Company		498,903	516,016
Non-controlling interests		(1,247)	(1,203)
Total equity		497,656	514,813

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

These unaudited condensed 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 (“**HKICPA**”).

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 2022, 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 April 2022 and are adopted for the first time by the Group.

Amendments to HKFRSs adopted by the Group

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the HKICPA which are mandatorily effective for the annual period beginning on or after 1 April 2022 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

New and amendments to standards and interpretations issued but not yet effective

Certain new and amendments to standards and interpretations have been published that are not mandatory for the current reporting period and have not been early adopted by the Group. These new and amendments to standards and interpretations are not expected to have a material impact on the Group’s condensed consolidated financial statements.

2. REVENUE AND SEGMENT REPORTING

Revenue

The Group generates sales of fashion apparel and accessories with customers mainly through its own retail stores. Revenue from sales of fashion apparel and accessories is recognised at a point in time when the goods are delivered to the customers.

Segment information

The Group manages its businesses by geographical locations. In a manner consistent with the way in which information is reported internally to the Group's 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				Total reportable	
	Hong Kong		Outside Hong Kong		segments	
	2022	2021	2022	2021	2022	2021
Revenue from external customers	30,282	29,584	25,851	37,428	56,133	67,012
Inter-segment revenue	5,103	9,667	11,009	10,780	16,112	20,447
Segment revenue	<u>35,385</u>	<u>39,251</u>	<u>36,860</u>	<u>48,208</u>	<u>72,245</u>	<u>87,459</u>
Segment profit (loss)	3,037	437	(2,864)	(10,037)	173	(9,600)
Unallocated expenses					(21,920)	(25,335)
Other income and other gains and losses					6,127	9,904
Gain on change in fair value of investment property					–	429
Finance costs					(820)	(1,607)
Loss before taxation					<u>(16,440)</u>	<u>(26,209)</u>

3. INCOME TAX EXPENSE

<i>(in HK\$'000)</i>	Unaudited	
	Six months ended 30 September	
	2022	2021
Current tax		
– Hong Kong Profits Tax	–	7
– Outside Hong Kong	82	88
	<u>82</u>	<u>95</u>
Deferred tax	243	222
	<u>243</u>	<u>222</u>
Income tax expense	<u>325</u>	<u>317</u>

The provision for Hong Kong Profits Tax is calculated at 16.5% (2021: 16.5%) of the estimated assessable profits for the six months ended 30 September 2022. Taxation for the People's Republic of China and overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant tax jurisdictions.

4. LOSS FOR THE PERIOD

Loss for the period is arrived at after charging (crediting):

<i>(in HK\$'000)</i>	Unaudited	
	Six months ended 30 September	
	2022	2021
Depreciation of		
– property, plant and equipment	6,725	7,227
– right-of-use assets	11,399	17,022
Exchange loss, net	1,656	595
Impairment losses on		
– property, plant and equipment	222	1,011
– right-of-use assets	1,150	5,047
Interests on		
– bank borrowings	243	544
– lease liabilities	457	888
Covid-19 related rent concessions	(2,250)	(5,918)
Gain on disposal of property, plant and equipment	(5)	(143)
Gain on early termination of lease contracts	(295)	(1,002)
Government grants	(2,145)	(477)
	<u>(2,145)</u>	<u>(477)</u>

5. LOSS PER SHARE

The calculation of basic loss per share is based on the loss attributable to the owners of the Company of approximately HK\$16,721,000 (2021: HK\$26,401,000) and the weighted average number of 287,930,000 (2021: 287,930,000) ordinary shares in issue during the period.

Diluted loss per share is not presented both for the six months ended 30 September 2022 and for the comparative period as there were no dilutive potential ordinary shares in issue during the periods.

6. INTERIM DIVIDEND

The Board does not declare the payment of an interim dividend for the year ending 31 March 2023 (2022: Nil).

7. TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade receivables, based on the invoice date and net of loss allowance, is as follows:

	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
<i>(in HK\$'000)</i>		
Within 30 days	4,815	4,616
31 to 90 days	3,179	1,226
91 to 180 days	1,290	429
Over 180 days	3	1
	<u>9,287</u>	<u>6,272</u>

Trade receivables are due within 30 to 90 days from the invoice date.

8. TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

	As at 30 September 2022 (Unaudited)	As at 31 March 2022 (Audited)
<i>(in HK\$'000)</i>		
Within 30 days	877	980
31 to 90 days	637	369
Over 90 days	3,079	3,105
	<u>4,593</u>	<u>4,454</u>

MARKET OVERVIEW

The apparel retail markets in Hong Kong and Mainland China, where Moiselle International Holdings Limited (“**Moiselle**” or the “**Company**”, which together with its subsidiaries is referred to as the “**Group**”) has its principal operations, were depressed by the flare-up of the novel coronavirus pneumonia pandemic (“**Covid-19**”) and the resultant economic recession or slowdown for the first six months ended 30 September 2022 (the “**Period**”) of the financial year ending 31 March 2023.

In Hong Kong, where Moiselle derived about 54% of its revenue, the daily number of confirmed Covid-19 cases gradually rose again in June 2022 and then surged to more than 5,000 in September following a short respite of easing pandemic from early April to early June. A massive outbreak of the pandemic had occurred in February and March 2022. Although the Hong Kong government had been easing its anti-pandemic measures locally and relaxing the quarantine requirements for inbound travellers during the Period, the city’s border with Mainland China had not yet been fully reopened. This has seriously affected the local retail market as Mainland China has always accounted for a vast majority of the visitor arrivals in Hong Kong. Although the total visitor arrivals in the city shot up by 295.7% year on year to 249,699 from January to September of 2022 on an extremely low comparison base and due to the Hong Kong government’s more relaxed quarantine measures for inbound travellers, the figure was merely a tiny fraction of the pre-pandemic level of about 46.76 million from January to September of 2019 (source: Hong Kong Tourism Board quoting the data from the Immigration Department of the Hong Kong Special Administrative Region (“**HKSAR**”). The city’s retail market, which has previously benefited from the immense number of inbound travellers before the pandemic outbreak, is now dominated by the local customers. However, the value of retail sales of wearing apparel at retail outlets in the city, which had enjoyed a robust, year-on-year rebound of 26.3% in the period from January to September of 2021 on the back of the revived local consumption amid easing anti-pandemic measures, lost its momentum in the period from January to September of 2022, decreasing by approximately 9.7% year on year to about HK\$21.62 billion (source: The Census and Statistics Department of the HKSAR). In Macau, the situation was similarly difficult as the government was compelled to impose a 12-day lockdown in the city in July 2022 upon the resurgence of the pandemic. In Mainland China, economic growth has been slowing down in the year to date due to the government’s zero-Covid policy and the property market slump. This dampened the consumer sentiment. The value of retail of apparel, shoes, headwear and knitted products in the country declined by 4.0% year on year to approximately RMB927.3 billion in January to September of 2022 (source: National Bureau of Statistics of the People’s Republic of China).

The fashion apparel industry has already been reshaped in the past several years by such fundamental changes as the emergence of the younger generation of consumers who prefer on-trend fashion apparel to the classic and elegant one, the increasing popularity of electronic commerce and consumers' growing reliance on internet, especially social media, for information about fashion apparel and for shopping for it. Gearing fashion apparel more towards the younger generation and making full use of the internet to market and sell the products are the way forward for the industry.

RESULTS

Moiselle mainly engages in retailing women's fashion apparel to high-end and upper-middle markets but is also gearing more towards the design and sale of on-trend apparel targeted at the younger generation of customers. For the Period, the Company still recorded a loss due to the impact of the protracted pandemic on business. Nevertheless, its loss narrowed slightly to HK\$17 million thanks to one-off subsidies from the HKSAR government under the Employment Support Scheme that was aimed at helping businesses get through the difficulties caused by the pandemic during the Period.

Turnover fell by 16% year on year to HK\$56 million for the Period on the back of decreases in revenues from most of the geographical markets where the Group had operations. Revenue from the Taiwanese market decreased by a low-single digit percentage year on year while those from Mainland China and Macau dropped by 21% and 48% year on year, respectively.

The Group's operations in Hong Kong accounted for 54% of its revenue while those in Mainland China contributed to 28%. Operations in Macau and Taiwan made up 11% and 7% respectively of the Group's revenue. Gross profit margin was 75.4% for the Period, compared with the 74.6% for the same period of the previous financial year ended 31 March 2022 (the "**Previous Financial Year**").

BUSINESS REVIEW

To cope with the fundamental changes in the fashion market and the volatile business environment, the Group pressed on with its business transformation initiatives that it had adopted in the past several years. During the Period, it continued with the repositioning of its house brand *MOISELLE*, and kept on developing electronic commerce and rationalizing its retail network. In addition, it took advantage of the HKSAR government's relaxed anti-pandemic measures by conducting small-scale handicraft courses at its stores and holding mini-fashion shows at dining events in restaurants with the aim of attracting more new customers of a younger generation for both its on-trend and high-end fashion apparel.

The younger generation of consumers, who prefer mid-range, on-trend fashion apparel of simpler design to the classic one of elaborate design, has been increasingly predominating in the customer base. To capitalize on this trend, the Group has repositioned its major house brand *MOISELLE* as a brand that accentuates the beauty of Asian women's silhouette through two fashion lines, namely the classic and elegant fashion apparel on the one hand and the on-trend and unique fashion apparel that projects a youthful image on the other hand since 2020. It enriched the concept of its repositioning by inventing a theme of marketing its seasonal collection which was about manifesting the wearers' personalities and self-awakening in the financial year ended 31 March 2021. The concept is summed up in a slogan "C'est MOI, MOISELLE" ("我就是慕詩" in Chinese). Gearing its products more towards the younger generation of customers, the Group increased the portion of mid-range, on-trend and unique fashion apparel from about 30% of the total number of stock keeping units ("SKU") in the financial year ended 31 March 2020 to about 50% for the preceding two financial years ended 31 March 2021 and 31 March 2022 respectively and for the Period.

During the Period, the Group was preparing to launch its winter collection in November 2022. The collection, which is based on the concept of accentuating the beauty of Asian women's silhouette, will feature designs that include exquisite, elaborate embroidery and combine the cultural elements of the East and the West. The winter collection will manifest the "effortless elegance" of female entrepreneurs and female leaders in industry and commerce who are modern in outlook, art-loving and environmentally conscious.

The Group has also adapted its products to the situation of the pandemic by introducing fashion apparel of simpler design and of antibacterial, washable or inexpensive material to the market as more people worked from home and were more conscious of hygiene.

Overall, it has broadened both the product range and price range to better meet the more varied wants and needs of the customers.

In response to the growing popularity of electronic commerce and the increasing use of internet for obtaining information about fashion trends, the Group had opened two online platforms respectively for the marketing and sales of the *MOISELLE* products for its Hong Kong operations and for the retailing of its diffusion lines under such brands as *m.d.m.s.*, *GERMAIN* and *LANCASTER* for its Hong Kong-based concept store, *M CONZEPT* in the preceding two financial years. The move would enable the Group to run its business more cost-effectively and to reach out more easily to the younger generation of consumers, who increasingly predominate in the customer base. In Mainland China, the Group continued to develop its electronic commerce business through its separate alliances with three local electronic commerce website operators, namely CloudHappy Mall ("雲歡商城" in Chinese), VIP.com which specializes in online discount sales and is operated by Vipshop ("唯品會" in Chinese) and Tmall. Such online platforms for sales and marketing can be combined with the Group's mobile phone-enabled application to build up a customer base and carry out precision marketing. Furthermore, the Group also conducted short-term cooperation with two other online

shopping website operators such as OnTheList which specializes in flash sales and Shopify. All these contributed to the growth in the Group's online sales, which increased by about 28% year on year in the Period and accounted for more than 14% of the Group's revenue.

In view of the growing influence of electronic commerce and the difficulties of running physical stores amid the pandemic, the Group had already adjusted its strategy for running its store network. In the Previous Financial Year, it decided to maintain its business presence in its various geographical markets to an optimal minimum – it will no longer open as many stores as before in the traditional large shopping malls, but will maintain one store in each of the Mainland China cities where it operates, and will rent shop spaces on short leases which offer the Group more flexibility in adjusting the scale of its store network. This is in addition to the ongoing rationalization of the Group's retail network. The Group continued to close down some underperforming stores and open new ones in places with good prospect. Furthermore, it continued to negotiate for rent concessions for shop spaces. It had also enhanced the shopping experience at its stores by incorporating such elements as environmental awareness, quality lifestyle and art into the interior decoration.

OVERVIEW OF OPERATIONS

Targeting the markets for luxurious and mid-range apparel, the Group operates such house brands as *MOISELLE*, *m.d.m.s.*, *GERMAIN* and *Rosamund MOISELLE*, while engaging in distributorship for international brand *LANCASTER*. Each of the brands has its own distinctive consumer base and is being developed separately by the Group's dedicated and talented designer teams for house brands. The Group retails its products under the various brands at stores in prime locations. As at 30 September 2022, the Group had 35 stores and counters in Hong Kong, first- and second-tier cities of Mainland China, Macau and Taiwan, down from 38 as at 31 March 2022. It closed some underperforming stores but also opened some stores in places with good prospect to rationalize its network of stores.

REVIEW OF OPERATIONS BY LOCATION

Operations in Hong Kong

Revenue from the Group's operations in Hong Kong only edged up by 2% year on year to HK\$30,282,000 for the Period as the business was affected by the flare-up of the Covid-19 pandemic from July to September of 2022 following improved sales in May and June during a short respite of easing pandemic from early April to early June. The HKSAR government had been relaxing its anti-pandemic measures despite the resurgence of the pandemic because of the high vaccination rate of the local population. The Group capitalized on the eased anti-pandemic measures by conducting small-scale handicraft courses at its stores and holding mini-fashion shows at dining events in restaurants with the aim of attracting more new customers of a younger generation for both its on-trend and high-end fashion apparel.

It also continued to develop its electronic commerce business as a more cost-effective means of sales and marketing. It had already opened two online platforms respectively for the marketing and sales of the *MOISELLE* products for its Hong Kong operations and for the retailing of its diffusion lines under such brands as *m.d.m.s.*, *GERMAIN* and *LANCASTER* for its Hong Kong-based concept store, *M CONZEPT* in the preceding two financial years. Moreover, it also continued to conduct short-term cooperation with two online shopping website operators such as OnTheList which specializes in flash sales and Shopify to boost sales during the Period.

To seek help in dealing with the difficult operating environment, the Group negotiated with some landlords for rent concessions or lower rents upon renewal of leases for some shop spaces. It also applied to the HKSAR government for subsidies under the second round of the Employment Support Scheme and was granted such subsidies during the Period.

As at 30 September 2022, the Group operated 8 *MOISELLE*, 2 *m.d.m.s.*, 2 *LANCASTER* and 2 *M CONZEPT* retail stores as well as one outlet (As at 31 March 2022, the Group operated 8 *MOISELLE*, 2 *m.d.m.s.*, 2 *LANCASTER* and 3 *M CONZEPT* retail stores as well as one outlet).

Operations in Mainland China

Revenue from the Group's operations in Mainland China dropped by 21% year on year to HK\$16,006,000 during the Period as consumer sentiment was dampened by the country's slowing economic growth which had been triggered by the government's zero-Covid policy to combat the protracted pandemic and by the property market slump.

The Group pursued the strategy of keeping its store network to an optimal minimum by maintaining one store in each of the Mainland China cities where it operates. Following the closure of two underperforming stores, including one in Shanghai and one in Hangzhou, and the opening of one new store in Dalian during the Previous Financial Year, the Group closed one store in Xi'an, Shaanxi province and one store in Shenzhen during the Period but opened one store in a different location in Xi'an in June 2022, one store in a different location in Shenzhen in August 2022, and one store in Hefei, Anhui province in October 2022. The Group also continued with the effort to reduce the cost of renting shop spaces. Under the Group's lease agreements with some landlords at some of its stores, the rents were charged as certain percentages of the revenue from sales. This made it easier for the Group to sustain the retail business at the brick-and-mortar stores.

To capitalize on the growing trend of electronic commerce in Mainland China, the Group had already formed separate alliances with three online shopping website operators, including CloudHappy Mall, Vipshop and Tmall in the past several years.

As at 30 September 2022, the Group operated 11 *MOISELLE* retail stores in the country (As at 31 March 2022, the Group operated 10 *MOISELLE* retail stores in the country).

Operations in Macau

For the Period, turnover at the Group's operations in Macau plunged by 48% year on year to HK\$5,983,000 as business there was affected by a 12-day lockdown imposed by the government in July 2022 to cope with the resurgence of the pandemic. The Group closed down its *M CONZEPT* store at the Parisian Macao Hotel at the end of August 2022 due to lack of foot fall and business there. As at 30 September 2022, the Group operated three shops at the Venetian Macao Resort Hotel, including 1 *MOISELLE*, 1 *m.d.m.s.* and 1 *LANCASTER* retail stores in the city (As at 31 March 2022: 1 *M CONZEPT*, 1 *MOISELLE*, 1 *m.d.m.s.* and 1 *LANCASTER* retail stores).

Operations in Taiwan

Revenue at the Group's operations in Taiwan decreased by 5% year on year to approximately HK\$3,862,000 due the protracted Covid-19 pandemic and accounted for about 7% of the Group's turnover for the Period. The revenue only decreased slightly as the government relaxed anti-pandemic measures in view of the high vaccination rate of the local population. The Group operated 4 *MOISELLE* and one *LANCASTER* retail store as well as one outlet as at 30 September 2022 in Taiwan (As at 31 March 2022: 5 *MOISELLE* and 2 *LANCASTER* retail stores as well as one outlet).

OUTLOOK

Although the Group has undergone the dire business environment amid the pandemic for almost three years, it remains optimistic about the outlook for the fashion apparel retailing industry.

It anticipates a rebound in the consumer sentiment as the governments are easing anti-pandemic measures in view of the high vaccination rates of the populations.

In the past several years, the Group has repositioned its major house brand *MOISELLE* to cater for the preferences and consumption patterns of a younger generation of customers, sped up the development of its electronic commerce business with the help of social media, mobile application and alliances with online shopping platform operators, and pursued the strategy of running its store network at an optimal minimum as part of its rationalization drive. Therefore, it is well-positioned to grasp opportunities in a recovery in the market.

In Hong Kong, the Group has been building up a younger-generation local customer base and is looking forward to a revival in visitor arrivals. It thinks that now is the right time to gear up for a probable rebound in the fashion apparel retailing market as landlords have come to terms with the difficult business environment and are more willing to lease out shop spaces at lower rents. Therefore, the Group contemplates opening stores in some central business districts in the city in order to bolster its store network there.

In Mainland China, the Group will keep its store network to an optimal minimum by maintaining one store in each of the cities where it operates and continue to take out short leases on shop spaces so that it can adjust the scale of its store network more flexibly.

All these measures are aimed at enhancing the Group's competitive strength and adaptability to the changes in the market. The Group will monitor closely the economic conditions and fashion trends in the markets and may adjust the above plans accordingly.

FINANCIAL POSITION

During the period, the Group financed its operations with internally generated cash flows and bank borrowings. 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 bank deposits and cash balances amounted to approximately HK\$14 million (31 March 2022: HK\$14 million). As at 30 September 2022, the Group maintained secured bank borrowings of HK\$33 million (31 March 2022: HK\$13 million) at operating subsidiary level financing its working capital. Besides, the Group also maintained aggregate composite banking facilities of approximately HK\$40 million (31 March 2022: HK\$60 million) with commercial banks, of which approximately HK\$6 million (31 March 2022: HK\$8 million) were utilised.

The Group ran into net current liabilities of HK\$10 million as at 30 September 2022 (31 March 2022: HK\$8 million), with current assets being less than current liabilities. As at 30 September 2022, the gearing ratio (aggregate of bank borrowings and lease liabilities divided by shareholders' equity) was approximately 13.8% (31 March 2022: 13.5%).

Charge on assets

As at 30 September 2022, land and buildings held for own use and investment properties with a carrying value of approximately HK\$125 million (31 March 2022: HK\$127 million) were pledged to secure bank borrowings granted to the Group.

EMPLOYEE

As at 30 September 2022, the Group employed 298 (31 March 2022: 300) employees mainly in Hong Kong and Mainland China. 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 and training programmes.

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.

CORPORATE GOVERNANCE CODE

Save for the deviation of the Code Provision A.2.1 as below, the Company has complied with the code provisions listed in the Corporate Governance Code (the "CG code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") throughout the period of six months ended 30 September 2022.

Code Provision A.2.1

Under Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separated and should not be performed by the same individual. Currently, 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. The Company will however keep this matter under review.

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 risk management and internal control systems. 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 condensed consolidated financial statements of the Group for the six months ended 30 September 2022.

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

Hong Kong, 29 November 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.