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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)

MAJOR TRANSACTION
DISPOSAL OF A SUBSIDIARY

The Board announces that on 15 May 2023, the Vendor, a wholly-owned subsidiary of the Company, and Mr. Chan (as trustee for one of the Sale Shares) entered into the Agreement with the Purchaser, pursuant to which the Vendor as beneficial owners will sell and the Purchaser will acquire the Sale Shares for a consideration of RMB20,000,000.

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 100%, the Disposal constitutes a major transaction for the Company and is subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Disposal and is required to abstain from voting for the resolution to approve the Disposal, should the Disposal be put forward to the shareholders to approve at a general meeting of the Company. Accordingly, Super Result Consultants Limited, a company controlled by Mr. Chan and Ms. Tsui How Kiu, Shirley, two of our executive Directors and our controlling shareholders, which is interested in 190,000,000 Shares, representing approximately 65.99% of the issued share capital of the Company as at the date of this announcement, has approved the Disposal by a written shareholder's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company.

A circular containing, amongst others, details of the Disposal will be dispatched to the Shareholders in accordance with the requirements of the Listing Rules on or before 25 May 2023.

INTRODUCTION

The Board announces that on 15 May 2023, the Vendor, a wholly-owned subsidiary of the Company, and Mr. Chan (as trustee for one of the Sale Shares) entered into the Agreement with the Purchaser, pursuant to which the Vendor as beneficial owner will sell and the Purchaser will acquire the Sale Shares for a consideration of RMB20,000,000. The salient terms of the Agreement are set out below:

THE AGREEMENT

Date: 15 May 2023

Parties:

- (a) Moisselle (BVI) Limited, a wholly-owned subsidiary of the Company as the Vendor;
- (b) Mr. Chan, as the trustee for one of the Sale Shares; and
- (c) Mr. Zhang Chuan, as the Purchaser.

Subject matter

The Sale Shares, comprising two ordinary shares of the Target Company, representing 100% of the issued share capital of the Target Company. The Sale Shares are held as to one share by the Vendor and as to one share by Mr. Chan on trust for the Vendor.

The Target Company holds 100% of the equity interest of the Target Subsidiary, which holds the Property. The Property is the sole asset of the Target Group.

Consideration:

The consideration is RMB20,000,000.

The Consideration was determined after arm's length negotiation by reference to the market price of the properties neighbouring the Property. Based on the valuation made by an independent professional valuer, the market value of the Property as at 31 March 2022 was approximately RMB29,300,000.

Terms of Payment:

- (a) 50% of the Consideration, that is RMB10,000,000 (or HK\$11,000,000 based on the agreed exchange rate) shall be payable by the Purchaser upon execution of the Agreement, which shall be deducted in full from the earnest money previously paid by the Purchaser for the exclusive right to the negotiation of the Disposal; and
- (b) the remaining 50% of the Consideration, that is RMB10,000,000 shall be payable by the Purchaser at Completion.

Conditions precedent

Completion is conditional upon:

- (a) the Purchaser being satisfied with the due diligence on the financial, corporate, taxation and trading positions of the Target Group, and in particular the title to the Property;
- (b) the resignation of the officers of the Target Company and Target Subsidiary and the candidates nominated by the Purchaser have been appointed as officers of the Target Company and the Target Subsidiary;
- (c) the board and shareholders (where required) of the Target Company having resolved and approved the transactions under the Agreement, including but not limited to the registration of the transfer of the Sale Shares to the Purchaser;
- (d) all necessary authorisations, consents, licences, agreements, approvals or permissions of any kind of, from or by third parties and/or government or regulatory authorities required for the parties for execution and performance of the Agreement and implementation of transactions contemplated hereunder having been obtained;
- (e) the representations, warranties and/or undertakings given by the respective party under the Agreement remaining true, accurate and not misleading; and
- (f) there had been no material adverse change in the principal business, operations, properties, conditions (financial or otherwise), personnel or prospects of the Target Group nor events which may have a material adverse effect thereon.

Completion

Completion shall take place on the 5th business day following all the conditions precedent have been fulfilled or waived, or such other date as the Company and the Purchaser shall agree in writing, provided that such date shall in no event be later than 31 July 2023 (or such other date as may be agreed amongst the Company and the Purchaser).

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated in Hong Kong with limited liability and is an investment holding company. It is a wholly-owned subsidiary of the Company. The Target Subsidiary is a company established in the PRC and was principally engaged in the manufacturing business before ceasing all operations in 2019. The sole asset of the Target Group is the Property.

The Property is located at Flat 905, Block J, The Riviera, OCT Portofino, Xiangshan Street, Nanshan District, Shenzhen, Guangdong Province, the PRC (廣東省深圳市南山區華僑城香山街純水岸J棟905). It is a residential property with a gross floor area of approximately 184.46 square meters. The Property has been used as staff quarters for the past two years and currently becomes vacant.

A summary of the unaudited financial information of the Target Group for the two years ended 31 March 2022 is set out below:

	For the year ended 31 March	
	2021	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/profit before tax	(120)	1,358
(Loss)/profit after tax	(120)	1,358

As at 31 March 2023, the Target Group had an unaudited consolidated net asset value of approximately HK\$36,000,000.

FINANCIAL EFFECTS OF THE DISPOSAL ON THE GROUP

Upon completion, the Company will no longer hold any interest in the Target Group and the Target Company and the Target Subsidiary will cease to be subsidiaries of the Company and their financial results will no longer be consolidated into the Group's consolidated financial statements.

Subject to final audit, it is expected that the Company will recognise a loss on disposal of approximately HK\$14,000,000, which was determined by the carrying value of the Sale Shares, including writing off the current account due from the Target Group, which has suspended business operations. Owing to the soft property market in the PRC and the lack of buyer's interests for the Property, the Directors are of the view that the Consideration, which is at a discount to the valuation amount, could facilitate the sale of the Property and is fair and reasonable under the current market environment. The Company intends to apply the proceeds from the Disposal for internal working capital and business investment when such opportunities arise.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property was previously held for the purposes of serving as director's and staff quarters. Since the Target Subsidiary ceased its manufacturing operation, the Property has been left vacant and has not been occupied for over 18 months. As the Company has no use of the Property, the management considers the Disposal can realise the value in the Property and provide working capital for the Group's business operations and provide capital for investment purposes.

As the terms of the Disposal were concluded after arm's length negotiations and such terms were on normal commercial terms, the Directors, including the independent non-executive Directors, are of the view that the Disposal is in the interest of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

The Company

The Company is principally engaged in the design, manufacture, retail and wholesale of fashion apparel and accessories. With established house brands such as *MOISELLE*, *M Conzept*, *m.d.m.s* and imported brand *LANCASTER*, the Group operates retail shops and online business in Hong Kong, Mainland China, Macau and Taiwan.

The Vendor

The Vendor is a company incorporated in the British Virgin Islands and is principally engaged in investment holding. It is a wholly-owned subsidiary of the Company.

Mr. Chan

Mr. Chan is an executive Director and the controlling shareholder of the Company. He holds one of the Sale Shares on trust for the Vendor. As Mr. Chan is a trustee and is only entering into the Agreement to facilitate the Disposal and has no personal interest in the transactions contemplated under the Agreement, his entering into of the Agreement does not constitute a connected transaction for the Company.

The Target Company

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. It is a wholly-owned subsidiary of the Vendor.

The Target Subsidiary

The Target Subsidiary is a limited liability company established in the PRC. It is a wholly-owned subsidiary of the Target Company.

The Purchaser

The Purchaser is an individual resident in Hong Kong. The Purchaser is an independent third party and is independent of and not connected with the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules in respect of the Disposal are more than 25% but less than 100%, the Disposal constitutes a major transaction for the Company and is therefore subject to the announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, no Shareholder has a material interest in the Disposal and is required to abstain from voting for the resolution to approve the Disposal, should the Disposal be put forward to the shareholders to approve at a general meeting of the Company. Accordingly, Super Result Consultants Limited, a company controlled by Mr. Chan and Ms. Tsui How Kiu, Shirley, two of our executive Directors and our controlling shareholders, which is interested in 190,000,000 Shares, representing approximately 65.99% of the issued share capital of the Company as at the date of this announcement, has approved the Disposal by a written shareholder's approval pursuant to Rule 14.44 of the Listing Rules in lieu of a resolution to be passed at a general meeting of the Company.

A circular containing, amongst others, details of the Disposal will be despatched to the Shareholders in accordance with the requirements of the Listing Rules on or before 25 May 2023.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agreement”	the agreement dated 15 May 2023 between the Vendor, Mr. Chan and the Purchaser in relation to the Disposal;
“Board”	the board of Directors;
“Company”	Moiselle International Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose securities are listed on the main board of the Stock Exchange;
“connected person”	has the meanings ascribed to it under the Listing Rules;
“Consideration”	the consideration for the sale of the Sale Shares in the sum of RMB20,000,000;
“Director(s)”	the director(s) of the Company;

“Disposal”	the disposal of the Sale Shares by the Vendor;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. Chan”	Mr. Chan Yum Kit;
“PRC”	the People’s Republic of China;
“Property”	the property located at Flat 905, Block J, The Riviera, OCT Portofino, Xiangshan Street, Nanshan District, Shenzhen, Guangdong Province, the PRC;
“Purchaser”	Mr. Zhang Chuan;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale Shares”	two ordinary shares in the share capital of the Target Company;
“Shares”	the shares of HK\$0.01 each in the capital of the Company;
“Shareholders”	the holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Target Company”	Busy Win International Limited 旺貿國際有限公司, an indirect wholly-owned subsidiary of the Company as at the date of this announcement;
“Target Group”	the Target Company and the Target Subsidiary;
“Target Subsidiary”	Ming Fung Garment Manufacturing (Shenzhen) Company Limited 名峰製衣(深圳)有限公司, a wholly-owned subsidiary of the Target Company;

“Vendor” Moiselle (BVI) Limited, a wholly-owned subsidiary of the Company; and

“%” per cent.

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

Hong Kong, 15 May 2023

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, Ms. Wong Shuk Ying, Helen and Dr. Ng Lai Man Carmen.