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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

On 31 August 2023, Boo Gie Garment, a subsidiary of the Company, and Nice Power entered into the Products Supply Agreement in relation to the supply of garment products of the Group to Nice Power for a term of three financial years ending 31 March 2026.

As Nice Power is a connected person of the Company, the transactions contemplated under the Products Supply Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the annual transaction amount under the Products Supply Agreement are expected to be more than 0.1% but lower than 5% or less than HK\$10 million, the transactions contemplated under the Products Supply Agreement are subject to the reporting, annual review and announcement requirements and exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the announcements of the Company dated 23 August 2022 and 22 September 2022 in relation to the 2022 Agreement.

As the term of the 2022 Agreement has expired on 31 March 2023, the Products Supply Agreement is being entered into to enable the Group to continue to supply garment products to Nice Power.

THE PRODUCTS SUPPLY AGREEMENT

The principal terms of the Products Supply Agreement are set out below.

- Date:** 31 August 2023

- Parties:** (1) Boo Gie Garment; and

(2) Nice Power.

- Subject:** Boo Gie Garment will supply garment products to Nice Power.

- Term:** Three financial years ending on 31 March 2026.

- Pricing:** The pricing policies are set at fixed unit price, the same as in normal commercial practices of the Group. The goods to be supplied will be charged at FOB prices with terms mutually agreed by both parties 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 between 15% and 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.

Payment for the products and services under the Products Supply Agreement will be calculated on a monthly basis upon delivery of the products, with additional credit terms of 90 days. The above payment terms is the same as the 2022 Agreement and is no less favourable to the Group when compared with the supplies of products to third-party customers.

- Cap amount:** Pursuant to the Products Supply Agreement, the Group has agreed to supply garment products to Nice Power based on the pricing policy stated above during the term of the Products Supply Agreement subject to the following annual caps:

	Financial year ending 31 March		
	2024	2025	2026
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>

Annual maximum transaction amount	8,000	9,600	9,600
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The annual caps for the Products Supply Agreement were determined based on the historical transaction amount with Nice Power and the expected demand of Nice Power for products of the Group.

The annual cap and historical purchases by Nice Power for the year ended 31 March 2023 are set out below:

	<i>HK\$'000</i>
Annual cap under the 2022 Agreement	7,386
Actual purchases by Nice Power	5,211

Transactions between Boo Gie Garment and Nice Power prior to April 2022 were de minimis and exempted from the reporting and announcement requirements of Chapter 14A of the Listing Rules.

Condition

The Products Supply Agreement is subject to the Company's compliance with the requirements of the Listing Rules with respect to continuing connected transactions.

Reasons for the Products Supply Agreement

The supply and sales of menswear and ladieswear have been carried out as part of the normal business of Boo Gie Garment. As Nice Power is introducing a new brand AUTOPILOT to the market, Nice Power would require Boo Gie Garment to supply the garment products for its development of the brand and penetrate the market. The cooperation will be beneficial to both parties when each could assume its distinctive role and co-operate to the intended success of the new brand.

The Directors (including the independent non-executive Directors) consider that the transactions are being conducted on normal commercial terms, the terms of the transactions are fair and reasonable and in the interests of the Shareholders as a whole.

INTERNAL CONTROL PROCEDURES

In addition to the pricing terms set out in the paragraph “Pricing” above, to ensure that the terms of transactions with Nice Power are fair and reasonable and no less favourable to the Group than those available to independent third parties, the Group has the following internal control procedures in place under which:

- (i) the pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the accounting department of the Group and the management of the Group dedicated with the responsibility of supervising the continuing connected transactions of the Group to ensure that the relevant continuing connected transactions are being conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders as a whole;
- (ii) in respect of any order for the products supplied to Nice Power, the Group will assess the level of order to be placed and based on the size of the order, determine the reference price for supplies to independent third party customers for setting the prevailing market price in accordance with the pricing policies as set out under the Products Supply Agreement;
- (iii) the relevant personnel from the accounting department and the management of the Group will conduct regular checks to review and assess whether the transactions contemplated under the relevant continuing connected transactions are conducted in accordance with the terms of the agreement and will also regularly update the market price for the purpose of considering if the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy; and
- (iv) the independent non-executive Directors will review the transactions under the relevant continuing connected transactions and the auditors of the Company will also conduct an annual review on the pricing terms and annual caps thereof.

The Directors consider that the above internal control and pricing policies and internal review policies of the Group are effective to ensure that the transactions contemplated under the relevant continuing connected transactions will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in the design, manufacture, retail and wholesale of fashion apparel and accessories.

Boo Gie Garment

Boo Gie Garment is a wholly-owned subsidiary of the Company and is principally engaged in sourcing of materials and property holding.

Nice Power

Nice Power is principally engaged in the design, retail and wholesale of fashion apparel and accessories. Nice Power is 20% owned by the Group, 40% owned by Mr. Chan Pak Hei, Billy (“**Mr. Chan**”), a senior management of the Group, and 40% owned by Ms. Li Ka Tung, Antonia, an independent third party. Mr. Chan is the son of Mr. Chan Yum Kit, chairman and executive Director of the Company and Ms. Tsui How Kiu, Shirley, an executive Director of the Company, and is the brother of Mr. Chan Sze Chun, an executive Director of the Company.

IMPLICATIONS UNDER THE LISTING RULES

As Nice Power is considered to be a connected person of the Company, the transactions between Boo Gie Garment and Nice Power under the Products Supply Agreement constitute continuing connected transactions of the Company.

As the applicable percentage ratios in respect of the annual transaction amount under the Products Supply Agreement are expected to be more than 0.1% but lower than 5% or less than HK\$10 million, the transactions contemplated under the Products Supply Agreement are subject to the reporting, annual review and announcement requirements and exempt from the independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Mr. Chan Yum Kit, Ms. Tsui How Kiu, Shirley and Mr. Chan Sze Chun have abstained from voting for the Board resolution proposed to approve the Products Supply Agreement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“2022 Agreement”	the agreement dated 23 August 2022 between Boo Gie Garment and Nice Power;
“Board”	the board of Directors;
“Boo Gie Garment”	Boo Gie Garment Factory Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company;

“Company”	Moiselle International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Nice Power”	Nice Power Asia Limited, a company incorporated in Hong Kong;
“PRC”	the People’s Republic of China;
“Products Supply Agreement”	the agreement dated 31 August 2023 entered into between Boo Gie Garment and Nice Power in relation to the supply of garment products to Nice Power;
“Shareholder(s)”	shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

Hong Kong, 31 August 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.