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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

SUMMARY

Boo Gie Garment, a wholly owned subsidiary of the Company, entered into certain sales contracts with Nice Power in July and August 2022. Nice Power is 20% owned by Profair, a wholly owned subsidiary of the Company, 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 (“Ms. Li”), an individual and 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, and executive Director of the Company. Nice Power is therefore considered to be a connected person of the Company.

As the aggregate goods transacted under the Boo Gie Sales Contracts are not expected to exceed the threshold under Rule 14A.76(2) of the Listing Rules, the transactions contemplated under the above sales contracts constitute continuing connected transactions for the Company under Rule 14A.34 of the Listing Rules, which are subject to the announcement and reporting requirements set out in Rules 14A.35 and 14A.49 of the Listing Rules and are exempt from the independent shareholders’ approval requirements.

1. THE CONTINUING CONNECTED TRANSACTIONS

Boo Gie Sales Contracts

Dates of sales contracts	:	various dates in July and August 2022
Supplier of goods	:	Boo Gie Garment
Purchaser of goods	:	Nice Power
Nature of goods	:	Contemporary sportive apparels with full collections for menswear and ladieswear under the brand name <i>AUTOPILOT</i>

Expected delivery period	:	Not later than the end of September 2022
Actual delivery quantity	:	to be determined by both the Supplier and the Purchaser from time to time in view of the market conditions and business performance
Estimated sales amount	:	Not to exceed HK\$3,300,000.00 in aggregate of confirmed sales contracts for seasons up to fall 2022
Recognised sales amount	:	HK\$2,982,000.00 for the financial year commencing on 1 April 2022 up to the date of this announcement
Last year sales amount	:	HK\$1,711,000.00 for the financial year ended 31 March 2022

The supply and sales of menswear and ladieswear have been carried out as part of the normal business of Boo Gie Garment. The delivered goods are produced by the manufacturing plants mainly located in the Mainland China, including the Group's manufacturing plant in Shenzhen, China. Goods are 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 seasons included in the confirmed sales contracts are spring/summer 2022 and fall 2022. 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. Sample fees are separately billed based on the bulk orders. Price setting procedures of each style have been carried out stringently in accordance with the sales and merchandising procedures of the Group. Pursuant to the confirmed sales contracts, sales amounts will be settled in cash within 90 days' credit period.

Listing Rules implications

As the Purchaser would expect to further develop the businesses under the brand *AUTOPILOT*, the supply of apparel goods by Boo Gie Garment will be continuing connected transactions of the Company for the financial year ending 31 March 2023 and its following two financial years. Under the current business environment and market conditions, the maximum aggregate amount of relevant sales contracts entered into by Boo Gie Garment is expected to be less than the threshold under Rule 14A.76(2) of the Listing Rules, which is subject to the announcement and reporting requirements set out in Rules 14A.35 and 14A.49 of the Listing Rules and is exempt from the independent shareholders' approval requirements.

Annual Cap

The annual cap of the revenue to be received by the Group under the confirmed sales contracts and any new sales contracts will not exceed HK\$8,000,000 for the financial year ending 31 March 2023 and is estimated under current economic conditions and retail market recovery. Based on the sales contracts for seasons of spring/summer 2022 and fall 2022, the estimated annual cap will include the seasons of winter 2022 and spring 2023 for the full financial year ending 31 March 2023. Nice Power currently operates two retail stores, one in Central and one in Tsim Sha Tsui, and an online store.

Internal Control Procedures

The Group will comply at all times with the applicable provisions under Rules 14A.34 and 14A.51 to 14A.59 of the Listing Rules in respect of transactions contemplated under the Boo Gie Sales Contracts. The Group's management and finance department will closely monitor the transactions contemplated under the Boo Gie Sales Contracts and if the supply and sales of goods will increase beyond the annual cap, the Company will comply with all necessary applicable requirements under the relevant Listing Rules before carrying out any manufacturing and delivery of goods to Nice Power which may result in the annual cap being exceeded. The relevant departments of the Group responsible for internal control will review its internal control procedures annually, and will compile and submit the internal control review report to the Board for its review and approval.

The independent non-executive Directors and the Company's auditor will conduct an annual review on the continuing connected transaction of Boo Gie Sales Contracts in accordance with the requirements of the Listing Rules.

Reasons for the continuing connected transactions

Boo Gie Garment has rich experience in the businesses of apparel materials sourcing and trading. As Nice Power plans to establish the new brand *AUTOPILOT* and introduces it to the market, business opportunities appear when Boo Gie Garment can source exquisite materials and deploy exclusive production resources where Nice Power can have strengthened back up whilst conducting research and development and endeavouring in market penetration. The continuing connected transactions are beneficial to both parties when each assumes distinctive roles and in co-operation contribute to the intended success of the new brand. The Directors consider that the terms of the transactions are fair and reasonable and in the interests of the Shareholders as a whole.

2. GENERAL

The Group is principally engaged in the design, manufacture, retail and wholesale of fashion apparel and accessories. The principal business of Boo Gie Garment is sourcing of materials and property holding. The principal business of Profair is investment holding. The principal business of Nice Power is design, retail and wholesale of fashion apparel and accessories. Nice Power is 20% owned by Profair, a wholly owned subsidiary of the Company, 40% owned by Mr. Chan, a senior management of the Group and 40% owned by Ms. Li, an individual and 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. Nice Power is therefore considered connected person of the Company.

The Board had passed resolutions to approve the continuing connected transactions under Boo Gie Sales Contracts, the detailed terms and conditions therein and the annual cap. Mr. Chan Yum Kit, Ms. Tsui How Kiu, Shirley and Mr. Chan Sze Chun had abstained from voting and were not counted in the quorum in respect of these resolutions.

3. DEFINITIONS

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

“Board”	the board of Directors;
“Boo Gie Garment”	Boo Gie Garment Factory Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Company”	Moiselle International Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning as ascribed to it in the Listing Rules;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Nice Power”	Nice Power Asia Limited, a company incorporated in Hong Kong with limited liability and 20% owned by Profair Limited, 40% owned by Mr. Chan and 40% owned by Ms. Li, an individual and an independent third party;
“Profair”	Profair Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company;
“Shares”	shares of HK\$0.01 each in the issued share capital of the Company;
“Shareholders”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong.

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

Hong Kong, 23 August 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.