

# 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



2024/2025  
INTERIM REPORT

# CONTENTS

Corporate Information	2
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
Condensed Consolidated Statement of Financial Position	5
Condensed Consolidated Statement of Changes in Equity	6
Condensed Consolidated Statement of Cash Flows	7
Notes to the Unaudited Interim Financial Statements	8
Management Discussion and Analysis	13
Other Information	22



## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

#### **Executive**

Mr. CHAN Yum Kit (*Chairman*)

Ms. TSUI How Kiu, Shirley

Mr. CHAN Sze Chun

#### **Independent Non-Executive**

Ms. YU Yuk Ying, Vivian

Mr. CHU Chun Kit, Sidney

Ms. WONG Shuk Ying, Helen

Dr. NG Lai Man, Carmen

#### **AUDIT COMMITTEE**

Ms. YU Yuk Ying, Vivian

Mr. CHU Chun Kit, Sidney

Ms. WONG Shuk Ying, Helen

#### **REMUNERATION COMMITTEE**

Ms. YU Yuk Ying, Vivian

Mr. CHU Chun Kit, Sidney

Mr. CHAN Sze Chun

#### **NOMINATION COMMITTEE**

Ms. YU Yuk Ying, Vivian

Ms. WONG Shuk Ying, Helen

Ms. TSUI How Kiu, Shirley

#### **COMPANY SECRETARY**

Ms. PANG Lin

#### **REGISTERED OFFICE**

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

### **HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS**

Units 1-5, 11th Floor

Kodak House 2

39 Healthy Street East

North Point

Hong Kong

#### **WEBSITES**

<https://moiselle-hk.com>

<https://ir.moiselle.com.hk>

### **PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE**

Conyers Trust Company (Cayman) Limited

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

### **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

Computershare Hong Kong Investor

Services Limited

Shops 1712-1716

17th Floor

Hopewell Centre

183 Queen's Road East

Hong Kong

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” or “Moiselle”) for the six months ended 30 September 2024, together with the comparative figures for the corresponding period in 2023, are as follows:

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

<i>(in HK\$'000)</i>	<i>Notes</i>	<b>Unaudited Six months ended 30 September</b>	
		<b>2024</b>	<b>2023</b>
<b>Revenue</b>	2	<b>50,571</b>	64,620
Cost of sales		<b>(8,999)</b>	(13,935)
<b>Gross profit</b>		<b>41,572</b>	50,685
Other income		<b>2,496</b>	3,447
Other gains and losses		<b>2,335</b>	(1,642)
Distribution and selling expenses		<b>(40,261)</b>	(37,689)
Administrative and other operating expenses		<b>(27,243)</b>	(27,450)
<b>Loss from operations</b>		<b>(21,101)</b>	(12,649)
Gain on disposal of subsidiaries		-	2,114
Finance costs		<b>(2,842)</b>	(1,636)
<b>Loss before taxation</b>		<b>(23,943)</b>	(12,171)
Income tax credit (expense)	3	<b>333</b>	(3,110)
<b>Loss for the period</b>	4	<b>(23,610)</b>	(15,281)
<b>Other comprehensive income (expense)</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Income tax relating to subsidiaries upon disposal		-	8,076
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Reserves relating to subsidiaries upon disposal		-	(13,454)
Exchange differences arising on translation of foreign operations, with nil tax impact		<b>4,914</b>	2,679
		<b>4,914</b>	(2,699)
<b>Total comprehensive expense for the period</b>		<b>(18,696)</b>	(17,980)

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

<i>(in HK\$'000)</i>	<i>Note</i>	<b>Unaudited Six months ended 30 September</b>	
		<b>2024</b>	2023
<b>Loss for the period attributable to:</b>			
Owners of the Company		<b>(23,605)</b>	(15,283)
Non-controlling interests		<b>(5)</b>	2
		<b><u>(23,610)</u></b>	<u>(15,281)</u>
<b>Total comprehensive expense attributable to:</b>			
Owners of the Company		<b>(18,691)</b>	(17,982)
Non-controlling interests		<b>(5)</b>	2
		<b><u>(18,696)</u></b>	<u>(17,980)</u>
<b>Loss per share</b>			
Basic <i>(HK dollars)</i>	5	<b><u>(0.08)</u></b>	<u>(0.05)</u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>(in HK\$'000)</i>	<i>Notes</i>	<b>As at 30 September 2024 (Unaudited)</b>	<b>As at 31 March 2024 (Audited)</b>
<b>Non-current assets</b>			
Investment properties		<b>138,115</b>	138,115
Property, plant and equipment		<b>336,471</b>	342,410
Right-of-use assets		<b>29,682</b>	32,996
Deposits paid		<b>7,296</b>	3,818
Deferred tax assets		<b>749</b>	323
		<b><u>512,313</u></b>	<u>517,662</u>
<b>Current assets</b>			
Inventories		<b>29,564</b>	27,273
Trade and other receivables	7	<b>20,669</b>	28,645
Bank balances and cash		<b>11,336</b>	23,558
		<b><u>61,569</u></b>	<u>79,476</u>
<b>Current liabilities</b>			
Trade and other payables	8	<b>26,610</b>	26,379
Lease liabilities		<b>26,408</b>	25,334
Tax payable		<b>69</b>	1,494
Borrowings		<b>58,309</b>	50,725
		<b><u>111,396</u></b>	<u>103,932</u>
<b>Net current liabilities</b>		<b><u>(49,827)</u></b>	<u>(24,456)</u>
<b>Total assets less current liabilities</b>		<b><u>462,486</u></b>	<u>493,206</u>
<b>Non-current liabilities</b>			
Lease liabilities		<b>5,515</b>	17,539
Deferred tax liabilities		<b>76,732</b>	76,732
		<b><u>82,247</u></b>	<u>94,271</u>
<b>Net assets</b>		<b><u>380,239</u></b>	<u>398,935</u>
<b>Capital and reserves</b>			
Share capital		<b>2,880</b>	2,880
Reserves		<b>378,621</b>	397,312
<b>Equity attributable to owners of the Company</b>		<b>381,501</b>	400,192
<b>Non-controlling interests</b>		<b><u>(1,262)</u></b>	<u>(1,257)</u>
<b>Total equity</b>		<b><u>380,239</u></b>	<u>398,935</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited									
	Six month ended 30 September									
	Attributable to equity shareholders of the Company									
(in HK\$'000)	Share capital	Share premium	Other reserve	Exchange reserve	Statutory reserve funds	Property revaluation reserve	Accumulated losses	Total	Non-controlling interests	Total equity
<b>At 1 April 2023</b>	2,880	65,327	121	20,701	9,336	436,292	(72,094)	462,563	(1,247)	461,316
Loss for the period	-	-	-	-	-	-	(15,283)	(15,283)	2	(15,281)
Income tax relating to subsidiaries upon disposal	-	-	-	-	-	8,076	-	8,076	-	8,076
Reserves relating to subsidiaries upon disposal	-	-	-	(9,430)	(4,024)	-	-	(13,454)	-	(13,454)
Exchange differences arising from translation of foreign operations	-	-	-	2,679	-	-	-	2,679	-	2,679
<b>Total comprehensive income (expenses) for the period</b>	-	-	-	(6,751)	(4,024)	8,076	(15,283)	(17,982)	2	(17,980)
<b>Transfer of property revaluation surplus to accumulated losses upon disposal</b>	-	-	-	-	-	(28,773)	28,773	-	-	-
<b>At 30 September 2023</b>	2,880	65,327	121	13,950	5,312	415,595	(58,604)	444,581	(1,245)	443,336
<b>At 1 April 2024</b>	2,880	65,327	121	10,969	5,312	402,980	(87,397)	400,192	(1,257)	398,935
Loss for the period	-	-	-	-	-	-	(23,605)	(23,605)	(5)	(23,610)
Exchange differences arising from translation of foreign operations	-	-	-	4,914	-	-	-	4,914	-	4,914
<b>Total comprehensive income (expenses) for the period</b>	-	-	-	4,914	-	-	(23,605)	(18,691)	(5)	(18,696)
<b>At 30 September 2024</b>	2,880	65,327	121	15,883	5,312	402,980	(111,002)	381,501	(1,262)	380,239

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(in HK\$'000)</i>	<b>Unaudited Six months ended 30 September</b>	
	<b>2024</b>	2023
<b>Operating activities</b>		
Cash from operations	<b>2,879</b>	6,181
Income tax outside Hong Kong paid	<b>(1,518)</b>	(153)
<b>Net cash from operating activities</b>	<b>1,361</b>	6,028
<b>Investing activities</b>		
Net cash inflow on disposal of subsidiaries	–	22,396
Purchase of property, plant and equipment	<b>(1,409)</b>	(1,884)
Payment of rental deposits	<b>(2,574)</b>	(6,019)
Refund of rental deposits	<b>1,840</b>	1,260
Other cash flows arising from investing activities	<b>232</b>	299
<b>Net cash (used in) from investing activities</b>	<b>(1,911)</b>	16,052
<b>Financing activities</b>		
Proceeds from new borrowings	<b>54,471</b>	41,006
Repayment of bank borrowings	<b>(46,887)</b>	(31,452)
Repayment of lease liabilities	<b>(16,390)</b>	(11,490)
Interest element of lease rentals paid	<b>(1,171)</b>	(478)
Other cash flows arising from financing activities	<b>(1,671)</b>	(1,158)
<b>Net cash used in financing activities</b>	<b>(11,648)</b>	(3,572)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(12,198)</b>	18,508
<b>Cash and cash equivalents at beginning of the period</b>	<b>23,558</b>	13,775
Effect of foreign exchange rate changes	<b>(24)</b>	1,865
<b>Cash and cash equivalents at end of the period</b>	<b>11,336</b>	34,148
<b>Analysis of balance of cash and cash equivalents</b>		
Deposits with banks within three months to maturity when placed	<b>6,590</b>	19,286
Cash at bank and in hand	<b>4,746</b>	14,862
<b>Bank balances and cash in the condensed consolidated statement of financial position and cash and cash equivalents in the condensed consolidated statement of cash flows</b>	<b>11,336</b>	34,148



## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### 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 2024, except in relation to the amendments to 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 2024 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 Group's annual period beginning on or after 1 April 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

#### **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.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### 2. REVENUE

#### 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 and Taiwan.

	Unaudited Six months ended 30 September					
	Hong Kong		Outside Hong Kong		Total reportable segments	
	2024	2023	2024	2023	2024	2023
<i>(in HK\$'000)</i>						
Revenue from external customers	29,394	39,447	21,177	25,173	50,571	64,620
Inter-segment revenue	2,728	4,451	3,954	12,118	6,682	16,569
<b>Segment revenue</b>	<b>32,122</b>	43,898	<b>25,131</b>	37,291	<b>57,253</b>	81,189
<b>Segment (loss) profit</b>	<b>2,544</b>	9,937	<b>(6,302)</b>	(189)	<b>(3,758)</b>	9,748
Unallocated expenses					(22,174)	(24,202)
Other income and other gains and losses					4,831	1,805
Gain on disposal of subsidiaries					-	2,114
Finance costs					(2,842)	(1,636)
Loss before taxation					<b>(23,943)</b>	(12,171)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### 3. INCOME TAX CREDIT (EXPENSE)

<i>(in HK\$'000)</i>	<b>Unaudited Six months ended 30 September</b>	
	<b>2024</b>	2023
Current tax – Outside Hong Kong		
Provision for the period	<b>(92)</b>	(145)
Under-provision for prior years	–	(2,152)
	<b>(92)</b>	(2,297)
Deferred tax	<b>425</b>	(813)
Income tax credit (expense)	<b>333</b>	(3,110)

The provision for Hong Kong Profits Tax is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the six months ended 30 September 2024. 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>	<b>Unaudited Six months ended 30 September</b>	
	<b>2024</b>	2023
Depreciation of		
– property, plant and equipment	<b>7,239</b>	6,091
– right-of-use assets	<b>12,350</b>	10,452
Exchange (gain) loss, net	<b>(2,330)</b>	1,642
Impairment losses on		
– property, plant and equipment, net	<b>138</b>	5
– right-of-use assets, net	<b>1,318</b>	929
Interests on		
– bank borrowings	<b>1,671</b>	1,158
– lease liabilities	<b>1,171</b>	478
Gain on disposal of property, plant and equipment	<b>(6)</b>	–
Government grants	–	(418)

## NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

### 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\$23,605,000 (2023: HK\$15,283,000) and the weighted average number of 287,930,000 (2023: 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 2024 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 2025 (2024: 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:

<i>(in HK\$'000)</i>	<b>As at 30 September 2024 (Unaudited)</b>	As at 31 March 2024 (Audited)
Within 30 days	<b>3,612</b>	6,831
31 to 90 days	<b>1,154</b>	1,513
91 to 180 days	<b>72</b>	437
Over 180 days	<b>714</b>	–
	<b>5,552</b>	8,781

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

**NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS**

**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:

<i>(in HK\$'000)</i>	<b>As at 30 September 2024 (Unaudited)</b>	As at 31 March 2024 (Audited)
Within 30 days	<b>550</b>	583
31 to 90 days	<b>1,102</b>	1,243
Over 90 days	<b>3,892</b>	3,249
	<b>5,544</b>	5,075

**9. COMMITMENTS**

<i>(in HK\$'000)</i>	<b>As at 30 September 2024 (Unaudited)</b>	As at 31 March 2024 (Audited)
Capital expenditure contracted for but not provided for in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment	<b>182</b>	–

In addition, the Group was committed as at 30 September 2024 to enter into a new lease of two years and one month that has not yet commenced, the lease payments under which amounted to HK\$1,440,000 per annum (31 March 2024: HK\$ nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### MARKET OVERVIEW

The apparel retail markets experienced a hard time as consumer sentiment was dampened by the sluggish economy, and bleak employment and business prospects.

In Hong Kong, where Moiselle International Holdings Limited (“Moiselle” or the “Company”, which together with its subsidiaries, is referred to as the “Group”) derived about 58% of its revenue, the post-pandemic recovery in the retail and tourism markets still fell short of expectations as the locals were faced with the weak economy and gloomy job prospects while the total visitor arrivals in the first nine months of 2024 only bounced back to about 69.69% of the pre-pandemic level in the same period of 2019 (source: Hong Kong Tourism Board quoting the data from the Immigration Department of the Hong Kong Special Administrative Region (“HKSAR”)). The situation was exacerbated by the shift in the consumer behavior of both the locals and tourists – heading across the border for relaxation and consumption in Mainland China has caught on with the Hong Kong residents whereas Mainland Chinese tourists, who accounted for the majority of the visitor arrivals in the city but had decreasing buying power, were becoming more interested in sightseeing than in shopping. Specifically, the value of retail sales of wearing apparel at retail outlets in Hong Kong dropped by about 11.1% year-on-year to approximately HK\$28.36 billion in the period from January to September of 2024, in contrast to the year-on-year growth of about 47.5% in the same period of 2023 (source: The Census and Statistics Department of the HKSAR). The Hong Kong government scrapped all quarantine measures for inbound travellers on 1 April 2023, and such move was believed to have fueled the rebound in the first nine months of 2023, hence the high comparison base.

Similarly, consumer confidence was weak amid the slowing economy and property sector crisis in Mainland China, which saw its year-on-year quarterly gross domestic product growth decelerate from the first to third quarter of 2024. Growth in the value of retail of apparel, shoes, headwear and knitted products in the country decelerated to 0.2% year-on-year in the first nine months of 2024 from 10.6% year-on-year in the same period of 2023 (source: National Bureau of Statistics of the People’s Republic of China).

## MANAGEMENT DISCUSSION AND ANALYSIS

Apart from the macroeconomic conditions, fundamental trends have also been reshaping the fashion apparel industry in recent years, including the emergence of a younger generation of consumers whose consumption behaviour and preferences are different from those of the older generations; the younger consumers attaching less importance to big brand names as status symbols but more to apparel's functions and match to their personal styles; population aging and longer life expectancy; and the advent of information technologies such as the internet, electronic commerce and social media. Catering to the preferences of both the younger generation and the youthful, energetic middle-aged people with longer life expectancy as well as making full use of the information technologies to promote 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. To adapt to the changes in the market, it has also been gearing itself more towards the design and sale of on-trend apparel targeted at the younger generation of customers while catering to the preferences of the middle-aged customers. For the first six months ended 30 September 2024 (the "Period") of the financial year ending 31 March 2025, Moiselle still recorded a loss because the apparel retail market of Hong Kong remained mired in a difficult business environment and had yet to fully recover to the pre-pandemic levels. The city's high-end apparel retail market was affected to a higher extent as consumers were more cautious about spending on high-priced goods. Meanwhile, the mid-range apparel market also became difficult as consumers gave lower priority to clothing in the household budget in view of a tough time in economy and bleaker employment prospect. Moreover, the Mainland Chinese tourists in the city had lower buying power than they used to have before the pandemic outbreak, and their interest shifted more to sightseeing from shopping.

For the Period, the Group recorded a loss of approximately HK\$24 million, with increase in loss as compared with that in the same period of the previous financial year ended 31 March 2024 (the "Previous Financial Year"). Turnover decreased by 22% year-on-year to approximately HK\$51 million. Operating loss increased by about 67% year-on-year to approximately HK\$21 million.

All of the Group's operations in various geographical markets recorded decreases in revenue for the Period. Revenue from its operations in Hong Kong fell by 25% year-on-year to approximately HK\$29 million; revenue from its operations in Mainland China decreased by 10% to approximately HK\$13 million because of the lower consumer demand and the weaker local currency renminbi against the Hong Kong dollar; its revenue from Macau dropped by 34% to approximately HK\$5 million as its business there was affected by the relocation or closure of its stores; the Group's revenue from Taiwan decreased slightly year-on-year to approximately HK\$4 million.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group's operations in Hong Kong accounted for about 58% of its revenue while those in Mainland China contributed to about 26%; operations in Macau and Taiwan made up about 9% and 7% respectively. Gross profit margin was 82.2% for the Period, compared with the 78.4% for the same period of the Previous Financial Year.

## BUSINESS REVIEW

The Group stepped up its efforts to reach more target customers by conducting both online and offline promotional campaigns while pursuing the business strategies that it had already set more than five years ago for coping with the fundamental changes in the fashion apparel industry.

During the Period, the Group proactively sought to expand its quality customer base by marketing its products on Little Red Book, an online social media focused on fashionable and lifestyle trends and products. It also participated in shopping malls' promotional campaigns and rewards point redemption programmes. To strengthen its relationships with existing customers and attract new ones, the Group hosted fashion shows or other marketing campaigns at its retail stores as well as at certain restaurants in Hong Kong. It also held three fashion shows in Mainland China in August and September 2024 to enhance its brand awareness, including one at the opening of its store at Ping An Finance Center in Futian District, Shenzhen, Guangdong province; one at its store in Wenzhou, Zhejiang province; and one at its store in Nanjing, Jiangsu province. This is in addition to the ongoing strategies that it has been implementing for more than five years, namely the repositioning of its major house brand *MOISELLE* to cater for the preferences and consumption patterns of a younger generation of customers, speeding up the development of its electronic commerce business as a more cost-effective means of sales and marketing with the help of social media, mobile application and alliances with online shopping platform operators, and running its store network at an optimal minimum as part of its rationalization drive.

There have been two fundamental changes in the Group's customer base: the emergence of the younger generation of consumers, who prefer mid-range, on-trend fashion apparel of simpler design to the classic one of elaborate design; and a growing number of youthful, energetic middle-aged people with longer life expectancy who also like trendy wear. Therefore, 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, unique fashion apparel that projects a youthful image on the other hand since 2020. It also enriched the concept of its repositioning by inventing a theme for 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).



## **MANAGEMENT DISCUSSION AND ANALYSIS**

Gearing its products more towards the younger generation of customers, the Group has 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 the optimal level of about 50% since the financial year ended 31 March 2021. In early September 2024, the Group launched the *MOISELLE* brand’s 2024 fall/winter collection under the theme “Reminiscing the time in Santorini” that celebrated women’s adventurous spirit and vivacity. Overall, it broadened both the product range and price range to better meet the more varied wants and needs of the customers.

To capitalize on the growing trend of electronic commerce and people’s increasing use of internet for obtaining information about fashion trends, the Group is running an electronic commerce business. That business serves as a means of boosting sales, conducting marketing campaigns, collecting customer feedback and fostering customer relationships. 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 two financial years ended 31 March 2021 and 31 March 2022. It also continued to conduct short-term cooperation with an online shopping website operator, OnTheList, which specializes in flash sales to boost sales during the Period. In Mainland China, the Group continued to develop its electronic commerce business through its separate alliances with four 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), Tmall and JD.com, Inc. (“京東集團” in Chinese). 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.

To strengthen its business presence in its various geographical markets, the Group kept on rationalizing its retail networks there and maintaining them to an optimal minimum. In Mainland China, it basically maintained one store in each of the Mainland Chinese cities where it operated, and rented shop spaces on short leases which offered the Group more flexibility in adjusting the scale of its store network. In Hong Kong, the Group pursued the strategy of expanding its retail network at prime locations with good prospect at reasonable rents. It aimed to build up its stores in the city by improving their performance. It also enhanced the shopping experience at its stores by incorporating such elements as environmental awareness, quality lifestyle and art into the interior decoration.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW OF OPERATIONS

Targeting the markets for luxurious and mid-range apparel, the Group operates such house brands as *MOISELLE, m.d.m.s.* and *GERMAIN*, 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 2024, the Group had 31 stores and counters in Hong Kong, first- and second-tier cities of Mainland China, Macau and Taiwan, down from 32 as at 31 March 2024. 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 decreased by 25% year-on-year to HK\$29,394,000 for the Period as the locals were more cautious about spending amid the economic doldrums and the number of visitor arrivals in the city in the first nine months of 2024 was only about 69.69% of the pre-pandemic level in the same period of 2019. The Mainland Chinese tourists in Hong Kong were still less in number and their buying power and average transaction size also shrank compared with the pre-pandemic levels in the same period of 2019 due to the weaker renminbi and the bleaker business outlook and employment prospect. Moreover, their interest also shifted more to sightseeing from shopping. Another problem was the growing trend of Hong Kong residents' northbound cross-border travel to Mainland China for relaxation and consumption, which affected the city's local retail and catering markets.

Rents of shop spaces at prime locations, especially the high-end shopping malls in the city, stabilized at high levels during the Period because it took time for the landlords to realize that retail sales fell short of expectations for a post-pandemic recovery. Only a small number of them were willing to slightly reduce the rents.

To cope with such problems, the Group has been rationalizing its store network and actively developing its electronic commerce business for the purposes of boosting sales and conducting marketing campaigns. It had also been trying to broaden its income stream by developing the fashion apparel wholesale market in Canada since the Previous Financial Year and during the Period.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

To strengthen its business presence in Hong Kong, the Group had been prudently seeking for shop spaces with good prospect at reasonable rents. It also kept its store network to an optimal minimum by maintaining its presence mainly at high-end shopping malls in prime locations. For instance, it relocated its shop at Cityplaza in Taikoo Shing, and re-opened it in September 2024. As part of its sales and marketing efforts, the Group participated in shopping malls' promotional campaigns and rewards point redemption programmes. It also hosted fashion shows or other marketing campaigns at its retail stores as well as at certain restaurants in the city to strengthen its relationships with existing customers, especially the VIP members of the Group's customer club, and attract new ones. To tap the demand of Hong Kong residents on their northbound travel to Mainland China, the Group also stepped up its marketing campaigns targeted at the Hong Kong consumers at its stores in some Mainland Chinese cities that they frequented.

The Group continued to develop its electronic commerce business as a more cost-effective means of sales and marketing. During the Period, the Group proactively sought to expand its quality customer base by marketing its products on Little Red Book, an online social media focused on fashionable and lifestyle trends and products. 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 two financial years ended 31 March 2021 and 31 March 2022. Moreover, it also continued to conduct short-term cooperation with an online shopping website operator, OnTheList, which specializes in flash sales to boost sales during the Period. The online shopping platforms not only allowed the Group to sell out-of-season products at discounts as well as the products specifically designed for online sales, but also enabled it to proactively conduct promotional campaigns and to maintain customer relationships, namely by notifying its customer club members of its latest offerings and promotional activities through their mobile phones.

As at 30 September 2024, the Group operated 7 *MOISELLE*, 2 *m.d.m.s.*, 2 *LANCASTER* and 2 *M CONZEPT* retail stores as well as one outlet in the city (As at 31 March 2024, the Group operated 6 *MOISELLE*, 2 *m.d.m.s.*, 2 *LANCASTER* and 2 *M CONZEPT* retail stores as well as one outlet).

### **Operations in Mainland China**

Revenue from the Group's operations in Mainland China dropped by 10% year-on-year to HK\$13,115,000 during the Period. It was because consumers remained cautious in view of the gloomy business outlook and employment prospect amid the sluggish economy. The weaker renminbi against the Hong Kong dollar in the form of a book loss in foreign currency exchange also contributed to the decline.

## MANAGEMENT DISCUSSION AND ANALYSIS

The apparel retail market was highly competitive and leading brands vied for prime locations at the top-ranking shopping malls in cities. As a result, the rents of shop spaces in the country remained high.

Sales performance of some of the Group's retail stores in the first-tier cities fell short of expectations but some of its stores in the second-tier cities such as the one in Hangzhou, Zhejiang Province performed well.

To cope with the volatile and complicated business environment in the country, the Group pursued the strategy of keeping its store network to an optimal minimum by basically maintaining one store in each of the Mainland Chinese cities where it operates. It also continued to rationalize its retail network in the country. During the Period, the Group opened one store at Ping An Finance Center in Futian District, Shenzhen, Guangdong province.

To raise its brand awareness, the Group also held three fashion shows in the country in August and September 2024, including one at the opening of its store at Ping An Finance Center in Shenzhen; one at its store in Wenzhou, Zhejiang province; and one at its store in Nanjing, Jiangsu province.

To capitalize on the growing trend of electronic commerce in Mainland China, the Group continued to develop its electronic commerce business through its separate alliances with four local electronic commerce website operators, namely CloudHappy Mall, Vipshop, Tmall and JD.com, Inc.

As at 30 September 2024, the Group operated 12 *MOISELLE* retail stores in the country (As at 31 March 2024: 12 *MOISELLE* retail stores).

### Operations in Macau

For the Period, turnover at the Group's operations in Macau dropped by 34% to HK\$4,593,000 because its business was affected by the relocation of its *MOISELLE* retail store and the closure of its *LANCASTER* retail store at The Venetian Macao, a hotel and casino resort in the city. As at 30 September 2024, the Group operated two stores in the city, namely one *MOISELLE* retail store each at The Venetian Macao and at The Parisian Macao (As at 31 March 2024, the Group operated three stores in the city, namely one *MOISELLE* and one *LANCASTER* retail stores at The Venetian Macao, and one *MOISELLE* retail store at The Parisian Macao).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Operations in Taiwan**

Revenue from the Group's operations in Taiwan decreased slightly to approximately HK\$3,469,000, which accounted for about 7% of the Group's turnover for the Period. Its key stores were being renovated. The Group operated 3 *MOISELLE* retail stores there as at 30 September 2024 (As at 31 March 2024: 3 *MOISELLE* and one *LANCASTER* retail stores).

### **OUTLOOK**

The Chinese government announced a new series of stepped-up economic stimulus measures in late September and October this year with the aim of reviving the slowing economy. This may brighten the outlook for business but takes time to yield results.

The Group remains cautiously optimistic about the future, and expects that the apparel retail markets in which it is operating may need to take more than two years to fully recover.

It is against this backdrop that the Group will maintain its prudent approach to business development while seeking to broaden its income stream. For example, the Group has further developed its electronic commerce business as a more cost-effective means of sales and marketing by promoting its products on Little Red Book, an online social media focused on fashionable and lifestyle trends and products. It is also fostering its fashion apparel wholesale business in Canada. It will also seek to further enhance its operational efficiency by exploring the possibility of adopting more technology in its fashion design and apparel processing.

All these measures, together with the Group's business strategies that it had already set more than five years ago for coping with the fundamental changes in the fashion apparel industry, are aimed at enhancing its 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### 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\$11 million (31 March 2024: HK\$24 million). As at 30 September 2024, the Group was granted aggregate composite banking facilities of approximately HK\$84 million (31 March 2024: HK\$73 million) by various commercial banks. Within the overall banking facilities, the Group secured bank borrowings of HK\$58 million (31 March 2024: HK\$51 million) at operating subsidiary level financing its working capital as at 30 September 2024. The Group was also benefited from the utilisation of banking facilities of HK\$2 million (31 March 2024: HK\$6 million) such as bank guarantee as at 30 September 2024.

The Group ran into net current liabilities of HK\$50 million as at 30 September 2024 (31 March 2024: HK\$24 million), with current assets being less than current liabilities. As at 30 September 2024, the gearing ratio (aggregate of bank borrowings and lease liabilities divided by shareholders' equity) was approximately 23.7% (31 March 2024: 23.5%).

### Charge on assets

As at 30 September 2024, land and buildings held for own use and investment properties with a carrying value of approximately HK\$109 million (31 March 2024: HK\$111 million) were pledged to secure bank borrowings granted to the Group.

### EMPLOYEE

As at 30 September 2024, the Group employed 266 (31 March 2024: 302) 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.

## OTHER INFORMATION

### DIRECTORS

The directors during the period and up to the date of this report were:

#### Executive directors

Mr. Chan Yum Kit

Ms. Tsui How Kiu, Shirley

Mr. Chan Sze Chun

#### Independent non-executive directors

Ms. Yu Yuk Ying, Vivian

Mr. Chu Chun Kit, Sidney

Ms. Wong Shuk Ying, Helen

Dr. Ng Lai Man, Carmen

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 September 2024, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

Name of director	Beneficial interest in shares	Approximate percentage of interests	Nature of interest
Mr. Chan Yum Kit	193,918,000	67.35%	Corporate/Family
	2,784,000	0.97%	Jointly held
	2,100,000	0.73%	Family
	2,100,000	0.73%	Personal (Notes (1) – (3))
Ms. Tsui How Kiu, Shirley	193,918,000	67.35%	Corporate/Family
	2,784,000	0.97%	Jointly held
	2,100,000	0.73%	Family
	2,100,000	0.73%	Personal (Notes (1) – (3))
Mr. Chan Sze Chun	900,000	0.31%	Personal
Ms. Wong Shuk Ying, Helen	28,000	0.01%	Personal

## OTHER INFORMATION

*Notes:*

- (1) 190,000,000 of these shares are held by Super Result Consultants Limited (“Super Result”). The share capital of Super Result is beneficially owned by Mr. Chan Yum Kit (“Mr. Chan”) and Ms. Tsui How Kiu, Shirley (“Ms. Tsui”) as to 46.7% and 46.7% respectively. Each of Mr. Chan and Ms. Tsui will therefore be deemed interested in the 190,000,000 shares held by Super Result as corporate interest.  
  
3,918,000 of these shares are held by New First Investments Limited (“New First”). The share capital of New First is beneficially owned by Mr. Chan and Ms. Tsui as to 50% and 50% respectively. Each of Mr. Chan and Ms. Tsui will therefore be deemed interested in the 3,918,000 shares held by New First as corporate interest.
- (2) 2,784,000 shares are jointly held by Mr. Chan and Ms. Tsui as jointly held interests.
- (3) Since Mr. Chan and Ms. Tsui are married to each other, Mr. Chan will be deemed interested in the shares which Ms. Tsui is deemed interested in as family interest, and vice versa.

In addition to the above, one director has non-beneficial personal equity interests in certain subsidiaries held for the benefit of the Group. Certain director also has beneficial interest in non-voting deferred shares practically carrying no rights to dividends or to receive notice of or to attend or vote at any general meeting or to participate in any distribution or winding up in a subsidiary.

Apart from the foregoing, as at 30 September 2024, none of the directors or the chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, as recorded in the register kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Apart from the foregoing, at no time during the six months ended 30 September 2024 was the Company, or any of its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or the chief executive of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



## OTHER INFORMATION

### SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As at 30 September 2024, the interests or short positions of the following shareholder, other than the directors and the chief executive of the Company, in the shares or underlying shares of the Company which have been disclosed to the Company pursuant to Part XV of the SFO have been recorded in the register kept by the Company under section 336 of the SFO:

Name of shareholder	Aggregate long position in shares	Approximate percentage of aggregate interests to total issued shares
Super Result	190,000,000	65.99% (Note)

*Note:* The share capital of Super Result is beneficially owned by Mr. Chan and Ms. Tsui as to 46.7% and 46.7% respectively.

Apart from the foregoing, and other than the directors and the chief executive of the Company whose interests are set out in the section "Directors' and chief executive's interests in securities" above, no person was recorded in the register kept by the Company under section 336 of the SFO as having an interest or a short position in the shares or underlying shares of the Company as at 30 September 2024.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the directors. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code throughout the period of the six months ended 30 September 2024.

### 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.

## OTHER INFORMATION

### DISCLOSURES PURSUANT TO RULE 13.21 OF THE LISTING RULES

On 28 May 2020, the Group, through its wholly-owned subsidiary, entered into a facility letter with an existing bank for a revised banking facility up to an aggregate amount of HK\$65,000,000. In June 2022, the facility amount was further revised to HK\$55,000,000. Pursuant to the terms of the facility letter, the Group undertakes with the bank that the directors, Mr. Chan and Ms. Tsui, shall remain to be the directors and the largest shareholder of the Company.

### CORPORATE GOVERNANCE CODE

Save for the deviation of the Code Provision C.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 the six months ended 30 September 2024.

#### Code Provision C.2.1

Under Code Provision C.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.

## **OTHER INFORMATION**

### **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, Ms. Yu Yuk Ying, Vivian (Chairperson), Mr. Chu Chun Kit, Sidney and Ms. Wong Shuk Ying, Helen, and reports to the Board.

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 2024.

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

Hong Kong, 26 November 2024