
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Moisselle International Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

AND

GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

A notice convening an annual general meeting of Moisselle International Holdings Limited to be held at The Centenary Room, 1st Floor, Happy Valley Clubhouse, The Hong Kong Jockey Club, 25 Shan Kwong Road, Happy Valley, Hong Kong on 21 August, 2003 at 3:00 p.m. is set out in Appendix III to this circular. Whether or not you intend to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof.

29 July, 2003

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RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context indicates otherwise:

“Annual General Meeting”	the annual general meeting of the Company for the year ended 31 March, 2003 to be held on 21 August, 2003, or any adjournment thereof
“Articles of Association”	the articles of association of the Company
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Moiselle International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Companies Law”	Companies Law (2003 Revision) of the Cayman Islands
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	25 July, 2003, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Resolution(s)”	the proposed resolution(s) as referred to in the notice of the Annual General Meeting as set out in this circular
“Securities and Futures (Clearing House) Ordinance”	the Securities and Futures (Clearing House) Ordinance (Cap. 420 of the laws of Hong Kong), which was repealed on 1 April, 2003
“Securities and Futures Ordinance”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers as amended from time to time

LETTER FROM THE BOARD

MOISELLE
MOISELLE INTERNATIONAL HOLDINGS LIMITED
慕詩國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Chan Yum Kit (*Chairman*)
Tsui How Kiu, Shirley
Chui Hing Yee
Chan Sze Chun

Registered office:

Century Yard, Cricket Square
Hutchins Drive, P.O. Box 2681 GT
George Town
Grand Cayman
British West Indies

Independent non-executive Directors:

Chan Sui Mou[#]
Yu Yuk Ying, Vivian[#]

*Head office and principal place
of business in Hong Kong:*

Units 3-6, 11th Floor
Kodak House 2
39 Healthy Street East
North Point
Hong Kong

members of the audit committee

29 July, 2003

To the Shareholders

Dear Sir or Madam,

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

AND

GENERAL MANDATES TO ISSUE AND TO REPURCHASE SHARES

I. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information regarding (i) the proposed amendments to the Articles of Association; and (ii) the proposed granting of the general mandates to the Directors to issue and allot Shares and to exercise the powers of the Company to repurchase its own Shares. Such proposals will be considered at the Annual General Meeting.

II. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

1. The Securities and Futures Ordinance

On 1 April, 2003, the Securities and Futures (Clearing House) Ordinance was repealed and the Securities and Futures Ordinance came into effect. HKSCC was a recognised clearing house within the meaning of the Securities and Futures (Clearing House) Ordinance. On the commencement

LETTER FROM THE BOARD

of the Securities and Futures Ordinance, HKSCC shall instead be deemed to have been recognised as a clearing house under the Securities and Futures Ordinance.

In view of the above, the Company decides to have the Articles of Association amended in order to reflect these changes. Consequently, Resolution no.5 in relation to the amendment to the Articles of Association will be proposed at the Annual General Meeting.

2. Appointment and removal of auditors

According to the Articles of Association, the auditors of the Company must be appointed by the Shareholders at general meetings and to hold office until removal by the Shareholders or replacement by other auditors appointed by the Shareholders.

The Company proposes to amend Articles 153, 155 and 156 of the Articles of Association to the effect that the Shareholders may authorise the Board (i) to appoint and remove the auditors of the Company; (ii) to fix the remuneration of the auditors of the Company; and (iii) to appoint an auditor to fill any vacancy of the office of auditor when circumstance so requires. Resolution no. 6 in relation to the amendment of the Articles of Association will therefore be proposed at the Annual General Meeting.

The reasons for such proposed amendments to the Articles of Association are as follows:

- (i) the existing Articles of Association contain certain procedural requirements that the Company must follow if a new auditor is to be appointed by the Company. Those requirements are neither mandatory nor prescribed under the Companies Law or other applicable laws. The Board would therefore like to remove those unnecessary procedural requirements so as to relieve the Company from additional administrative burden;
- (ii) the existing Articles of Association provide that removal of the Company's auditor before expiration of his term of office or subsequent appointment must be approved by the Shareholders in general meetings. With the proposed amendments in place, the Company would be able to remove and appoint the auditors of the Company in a more cost-effective and timely fashion; and
- (iii) there is no provision under the Listing Rules, the Companies Law or other applicable laws and regulations which restricts the Company from making the proposed amendments to its Articles of Association.

The existing Articles 153, 155 and 156 of the Articles of Association proposed to be amended at the Annual General Meeting have been set out in Appendix II to this circular.

The Board currently has no firm proposal to seek the authorisation of the Shareholders to appoint and remove the auditors of the Company pursuant to the Articles of Association as amended by the proposed amendments abovementioned. The Board will seek approval of the Shareholders at general meeting when it considers that the granting of such authorisation is appropriate in the circumstances, and notice convening such meeting setting out the proposed terms and duration of the proposed authorisation will be sent to the Shareholders for consideration accordingly.

LETTER FROM THE BOARD

III. GENERAL MANDATES

1. General Mandate to Issue Shares

At the Annual General Meeting, Resolution no.7 will be proposed to seek your approval to grant the Directors a general mandate to allot, issue and deal with Shares representing up to the aggregate of 20 per cent. of the Company's issued share capital as at the date of the passing of such resolution (the "Issue Mandate"). In addition, Resolution no.9 will also be proposed to authorise the extension of the Issue Mandate, which would increase the limit of the Issue Mandate by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate (as defined below).

2. General Mandate to Repurchase Shares

Resolution no.8 will be proposed at the Annual General Meeting to give a general mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10 per cent. of the Company's issued share capital as at the date of the passing of such resolution (the "Repurchase Mandate").

An explanatory statement required to be sent to you in compliance of the requirements under the Listing Rules is contained in Appendix I to this circular.

IV. ANNUAL GENERAL MEETING

A notice of the Annual General Meeting for the purpose of considering and, if thought fit, passing the Resolutions as set out in Appendix III to this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy and return it to the Company's branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the proxy form will not prevent you from attending and voting at the Annual General Meeting.

V. RECOMMENDATION

The Directors believe that the proposed amendments to the Articles of Association, and the proposed granting of the Issue Mandate and the Repurchase Mandate to the Directors are in the best interests of the Company and the Shareholders as a whole. Accordingly the Directors recommend that all the Shareholders should vote in favour of the Resolutions to be proposed at the Annual General Meeting in respect thereof.

VI. GENERAL

Your attention is drawn to the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
Moiselle International Holdings Limited
Chan Yum Kit
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to you for your consideration of the proposed Repurchase Mandate.

SHARE REPURCHASE

The rules on share repurchase permit companies whose primary listings are on the Stock Exchange to repurchase their fully paid up securities on the Stock Exchange subject to certain restrictions. The most important of which are summarised as follows:

(a) Source of funds

Repurchase must be made out of funds which are legally available of the purpose and in accordance with the company's constitutive documents and the laws of the Cayman Islands in which the company is incorporated or otherwise established.

(b) Maximum number of securities to be repurchased and subsequent issues

The total number of shares which a company is authorised to repurchase on the Stock Exchange are shares which represent up to a maximum of 10 per cent. of the issued share capital of a company at the date of passing of the resolution granting the general mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 280,500,000 Shares.

Subject to the passing of the Resolution no.8 at the Annual General Meeting and on the basis that no further Shares will be issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 28,050,000 Shares.

REASONS FOR REPURCHASE

Repurchase of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share.

MATERIAL ADVERSE IMPACT

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts of the Company for the year ended 31 March, 2003) in the event that the proposed repurchases of Shares were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous 12 months before the Latest Practicable Date were as follows:

	Share price	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2002		
July	1.420	0.940
August	1.080	0.780
September	0.870	0.570
October	0.640	0.350
November	0.510	0.425
December	0.580	0.450
2003		
January	0.550	0.470
February	0.730	0.510
March	0.650	0.470
April	0.510	0.325
May	0.540	0.360
June	0.660	0.500

DISCLOSURE OF INTERESTS

None of the Directors and connected persons (as defined in the Listing Rules) nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell Shares to the Company in the event that the Repurchase Mandate is approved.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell the Shares to the Company nor has he/she undertaken to the Company not to sell any of the Shares held by him/her in the event that the Repurchase Mandate is granted.

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum of association and articles of association of the Company.

EFFECT ON TAKEOVERS CODE

If, as the result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could, depending on the level of increase of its or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Super Result Consultants Limited and its associates held approximately 74.87 per cent. of the issued share capital of the Company, which was the only substantial shareholder holding more than 10 per cent. of the issued share capital of the Company. In the event that the Directors exercise the power to repurchase Shares in full pursuant to the Repurchase Mandate, (if the present shareholdings remain the same) the shareholding of Super Result Consultants Limited, together with its associates, in the Company will be increased to approximately 83.18 per cent. of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code but will reduce the amount of the Shares held by the public to less than 25 per cent. of the issued share capital of the Company. The Directors have no intention to repurchase Shares to such an extent which will result in the amount of the Shares held by the public being reduced to less than 25 per cent.

GENERAL

During each of the six months preceding the date of this circular, no Shares have been repurchased by the Company.

APPENDIX II EXTRACT OF THE EXISTING ARTICLES OF ASSOCIATION

The existing Articles 153(1), (2), (3), Article 155 and Article 156 of the Articles of Association proposed to be amended at the Annual General Meeting are set out below:

153. (1) At the annual general meeting or at a subsequent extraordinary general meeting in each year, the Members shall appoint an auditor to audit the accounts of the Company and such auditor shall hold office until the Members appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.
- (2) A person, other than a retiring Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than fourteen (14) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the retiring Auditor.
- (3) The Members may, at any general meeting convened and held in accordance with these Articles, by special resolution remove the Auditor at any time before the expiration of his term of office and shall by ordinary resolution at that meeting appoint another Auditor in his stead for the remainder of his term.
155. The remuneration of the Auditor shall be fixed by the Company in general meeting or in such manner as the Members may determine.
156. If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as practicable convene an extraordinary general meeting to fill the vacancy.

MOISELLE
MOISELLE INTERNATIONAL HOLDINGS LIMITED
慕詩國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN that the 2003 Annual General Meeting of Moiselle International Holdings Limited (the “Company”) will be held at The Centenary Room, 1st Floor, Happy Valley Clubhouse, The Hong Kong Jockey Club, 25 Shan Kwong Road, Happy Valley, Hong Kong on 21 August, 2003 at 3:00 p.m. for the following business:

As Ordinary Business

1. To consider and adopt the audited consolidated financial statements and the reports of the directors and auditors of the Company and its subsidiaries for the year ended 31 March, 2003.
2. To declare a final dividend for the year ended 31 March, 2003.
3. To re-elect retiring directors of the Company and to authorise the board of directors of the Company (the “Board”) to fix the remuneration of the directors.
4. To re-appoint the auditors of the Company and to authorise the Board to fix their remuneration.

As Special Business

To consider and, if thought fit, pass with or without modifications, the following resolutions as ordinary resolution or special resolution (as the case may be) of the Company:

SPECIAL RESOLUTIONS

5. **“THAT** the existing articles of association of the Company be and are hereby amended by deleting the definition of “clearing house” in Article 2 in its entirety and substituting the following therefor:

“clearing house” a recognised clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) or a clearing house recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.

6. **“THAT** Articles 153 (1), (2) & (3), Article 155 and Article 156 of the existing articles of association of the Company be and are hereby deleted and replaced with the following:

“153 (1) The Members shall at any general meeting appoint an auditor to audit the accounts of the Company or authorise the Directors to appoint such auditor as

it thinks fit. Such auditor shall hold office until the Members or the Directors (if so authorised by the Members) appoint another auditor. Such auditor may be a Member but no Director or officer or employee of the Company shall, during his continuance in office, be eligible to act as an auditor of the Company.

- (2) The Members may at any general meeting by special resolution, or the Directors (if so authorised by the Members by special resolution) may, remove the Auditor at any time before the expiration of his term of office. In such event, the Members shall by ordinary resolution, or the Directors (if so authorised by the Members by special resolution) shall, appoint another Auditor in his stead for the remainder of his term.”

“155 The remuneration of the Auditor shall be fixed by the Company in general meeting or the Directors (if so authorised by the Members) or in such manner as the Members may determine.”

“156 If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall as soon as possible appoint another auditor to fill the vacancy.”

ORDINARY RESOLUTIONS

7. “**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each (the “Share”) in the issued share capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which would or might require the exercise of such power after the Relevant Period, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the directors of the Company pursuant to the approval in paragraph (a) of this Resolution, otherwise than (i) a Rights Issue (as defined below); (ii) an issue of Shares under any option scheme or similar arrangement for the time being adopted; (iii) an issue of Shares as scrip dividends pursuant to the articles of association of the Company from time to time; or (iv) an issue of Shares upon the exercise of the subscription rights under any warrants and/or convertible deeds and/or the bonus issue of Shares issued by the Company, shall not exceed 20 per cent. of the aggregate nominal value of the issued share capital of the Company as at the date of passing of this Resolution; and

- (c) for the purpose of this Resolution,

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the directors of the Company to the holders of Shares whose name appears on the register of shareholders of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange in any territory applicable to the Company).”

8. **“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the securities of the Company may be listed and is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which the directors of the Company are authorised to repurchase pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company at the date of passing this Resolution; and
- (c) for the purpose of this Resolution:

“Relevant period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”
9. “**THAT**, subject to the passing of Resolutions 7 and 8 of the notice convening this meeting, the general mandate granted to the directors of the Company and from the time being in force to exercise the power of the Company to allot, issue and deal with any Shares pursuant to Resolution 7 be and is hereby extended in addition to the aggregate nominal amount of the issued share capital of the Company which may be allotted and agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the issued share capital of the Company repurchased by the Company pursuant to Resolution 8 provided that such extended amount shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this Resolution.”
10. “**THAT** the transfer of an amount of HK\$2,415,000 standing to the credit of the share premium account of the Company to the retained earnings account of the Company be and is hereby approved.”

By Order of the Board
Pang Lin
Company Secretary

Hong Kong, 29 July, 2003

Notes:

1. Any Shareholder entitled to attend and vote at the meeting is entitled to appoint another person as his proxy and a Shareholder who is the holder of two or more Shares may appoint one or more proxies to attend and vote in his stead. A proxy need not be a Shareholder.
2. A form of proxy for the meeting is enclosed herewith. The form of proxy must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Hong Kong Registrars Limited at Rooms 1901-5, 19th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.