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MIRABELL

MIRABELL INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

DISPOSAL OF TRADEMARK

The Directors are pleased to announce that Hornet has entered into the Disposal Agreement on 1 March 2003 pursuant to which Hornet has agreed to dispose and/or to procure the relevant member(s) of the Group to dispose of the Teenmix Marks, which are developed by the Group, to Belle Investment for a consideration of HK\$8,241,000. Completion of the Disposal is conditional upon the termination of the Teenmix Franchise Agreement, which is to take effect from the Effective Date. Completion of the Disposal Agreement has taken place on the Effective Date.

The Directors are also pleased to announce that Hornet, Mirabell Footwear and Bestfull International have entered into the Franchise Termination Agreement on 1 March 2003 for the termination of the Teenmix Franchise Agreement and the J&P Franchise Agreement with effect from the Effective Date.

THE DISPOSAL AGREEMENT

Parties

Vendor: Hornet, a wholly-owned subsidiary of the Company

Purchaser: Belle Investment, a company established in the PRC with limited liability and an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or an associate of any of them

Assets to be disposed

The Teenmix Marks (a) registered in the name of Hornet or other member(s) of the Group; and (b) of which applications for registration have been made by Hornet or other member(s) of the Group, in various jurisdictions including Hong Kong, Taiwan, the PRC, Singapore, Malaysia, South Korea and the Macau Special Administrative Region of the People's Republic of China.

Consideration

The Consideration for the Disposal is HK\$8,241,000 and was arrived at after arm's length negotiations between the parties to the Disposal Agreement and on normal commercial terms with reference to the projected amount of royalty that would be receivable for the franchise of the Teenmix Marks for a term of 24 months. The Directors (including the independent non-executive Director) consider that the Consideration is fair and reasonable in so far as the Company and its shareholders as a whole are concerned.

Payment terms

The Consideration was paid by Belle Investment in cash as follows:

- (a) HK\$2,000,000 upon signing of the Disposal Agreement; and
- (b) the balance in the sum of HK\$6,241,000 on the Effective Date.

Completion

Completion of the Disposal has taken place on the Effective Date.

Other terms of the Disposal Agreement

For the purpose of facilitating the gradual phasing out of the Teenmix Marks by the Group out of Hong Kong, Belle Investment has granted, conditional upon Completion, a licence to Hornet and other member(s) of the Group to use the Teenmix Marks at the Group's retail premises in Hong Kong trading under the style or name of the Teenmix Marks and on or in relation to products bearing the Teenmix Marks for a term of 3 calendar months commencing from 3 March 2003 and expiring on 31 May 2003 at a fixed monthly licence fee of HK\$1 for each retail premises renewable automatically for the same term and at the same fixed monthly licence fee until terminated by either party by giving the other at least 1 month notice in writing.

THE FRANCHISE TERMINATION AGREEMENT

Parties

Franchisors: Hornet and Mirabell Footwear, both are wholly-owned subsidiaries of the Company

Franchisee: Bestfull International, a wholly-owned subsidiary of Best Quality which is in turn beneficially owned as to 30% by the Company

Terms of the Franchise Termination

Hornet, Mirabell Footwear and Bestfull International have agreed to terminate the Teenmix Franchise Agreement and the J&P Franchise Agreement and releasing the other from all obligations, duties and liabilities under the Teenmix Franchise Agreement and the J&P Franchise Agreement with effect from the Effective Date, save for antecedent breach (if any).

GENERAL

The costs of Teenmix Marks to the Group were the developing costs in associated with or in connection with the brand development and were minimal to the Group.

The profits (before taxation) derived from each of the Teenmix Franchise Agreement and the J&P Franchise Agreement in respect of the two financial years ended 28 February 2002 were HK\$1,401,000 and HK\$3,402,000 for the Teenmix Franchise Agreement, representing 2.6% and 7.1% of the audited consolidated profits (before taxation) of the Group for the same periods and HK\$1,480,000 and HK\$2,455,000 for the J&P Franchise Agreement, representing 2.7% and 5.1% of the audited consolidated profits (before taxation) of the Group for the same periods.

REASONS FOR THE DISPOSAL AND THE FRANCHISE TERMINATION

The Group is principally engaged in the retail business of footwear.

As stated in the annual report of the Group for the year ended 28 February 2002, it is the Group's plan to expand its business in the PRC market. As stated in the Group's interim report for the six months ended 31 August 2002, the Group has also planned to fade out the Teenmix brand gradually out of Hong Kong in view of the economic downturn of Hong Kong. The Disposal capitalises the Teenmix Marks and provides the Group with immediately available funds for the funding of the Group's expansion plans in the PRC. The termination of the Teenmix Franchise Agreement is in line with the Group's plans and strategies and facilitates the Disposal. Immediately after the Disposal, the Group will remain trading under the brands of Mirabell, Joy & Peace, INshoesnet and City Smart in Hong Kong and Macau markets and under the brands of Mirabell and Joy & Peace in the PRC Market and will be refrained from using the Teenmix Marks save for the licence arrangement mentioned in the paragraph headed "other terms of the Disposal Agreement" above.

Bestfull International intends to fade out its operation in relation to the J&P Marks simultaneously with the termination of the Teenmix Franchise Agreement, the parties to the J&P Franchise Agreement therefore mutually agreed to the termination of the J&P Franchise Agreement. The Group will identify other suitable parties for the licensing of the J&P Marks in the PRC. Further announcement as required under the Listing Rules will be made by the Company as and when necessary.

USE OF PROCEEDS

The Directors intend to utilise the proceeds from the Disposal as working capital for the funding of the Group's expansion plans in the PRC.

DEFINITIONS

"associate(s)"	has the meanings ascribed to it in the Listing Rules
"Belle Investment"	深圳市百麗投資有限公司 (SHENZHEN BELLE INVESTMENT CO. LTD), a company established in the PRC with limited liability and an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or an associate of any of them
"Best Quality"	Best Quality Investments Limited, a company incorporated in Samoa beneficially owned as to 30% by the Company
"Bestfull International"	Bestfull International Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Best Quality
"Completion"	completion of the Disposal pursuant to the terms of the Disposal Agreement
"Consideration"	the consideration of HK\$8,241,000 for the Disposal

“Company”	Mirabell 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
“Directors”	the directors of the Company
“Disposal”	the disposal of the Teenmix Marks by Hornet and/or the relevant member(s) of the Group to Belle Investment pursuant to the Disposal Agreement
“Disposal Agreement”	the agreement dated 1 March 2003 entered into between Hornet as vendor and Belle Investment as purchaser for the Disposal
“Effective Date”	3 March 2003
“Franchise Termination”	the termination of the Teenmix Franchise Agreement and the J&P Franchise Agreement pursuant to the Franchise Termination Agreement
“Franchise Termination Agreement”	the termination agreement dated 1 March 2003 entered into among Hornet, Mirabell Footwear and Bestfull International for the termination of the Teenmix Franchise Agreement and the J&P Franchise Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hornet”	Hornet Agents Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“J&P Franchise Agreement”	a franchise agreement dated 28 September 1999 made between Mirabell Footwear as franchisor and Bestfull International as franchisee for the grant by Mirabell Footwear to the franchisee a sole licence to operate the franchise system within the PRC, excluding Guangdong Province and the region of Fuzhou of the Fujian Province of the PRC from retail premises together with the right to use the J&P Marks registered or to be registered by Mirabell Footwear for a term of two years commencing from 1 October 1999 and ending on 30 September 2001 which term was extended for a further term of two years commencing from 1 October 2001 and ending on 30 September 2003 by an extension letter dated 30 September 2001 at a fixed monthly royalty of HK\$5,000 currently payable by Bestfull International to Mirabell Footwear for each retail premises

“J&P Marks”	the registered and applications to register trade and/or service marks of “Joy & Peace”, “JOY & PEACE”, “真美詩”, “真美诗” and “JOY & PEACE” 真美诗, which Bestfull International was granted the right to use for operating the franchise system under the J&P Franchise Agreement, whether alone or in combination with any other word or words or device
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Mirabell Footwear”	Mirabell Footwear Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Teenmix Franchise Agreement”	a franchise agreement dated 28 September 1999 made between Hornet as franchisor and Bestfull International as franchisee for the grant by Hornet to Bestfull International a sole licence to operate the franchise system within the PRC, excluding Guangdong Province and the region of Fuzhou of the Fujian Province of the PRC from retail premises together with the right to use the Teenmix Marks registered or to be registered in the PRC by Hornet, for a term of two years commencing from 1 October 1999 and ending on 30 September 2001 which term was extended for a further term of two years commencing from 1 October 2001 and ending on 30 September 2003 by an extension letter dated 30 September 2001 at a fixed monthly royalty of HK\$3,000 currently payable by Bestfull International to Hornet for each retail premises
“Teenmix Marks”	the “teenmix 天美意” trade and/or service marks (a) registered in the name of the Hornet or member(s) of the Group; and (b) of which applications for registration have been made by Hornet or member(s) of the Group, in various jurisdictions
“HK\$”	Hong Kong dollars

By Order of the Board
Mirabell International Holdings Limited
Tang Wai Lam
Chairman

Hong Kong, 4 March 2003

“Please also refer to the published version of this announcement in The Standard”.