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MIRABELL

MIRABELL INTERNATIONAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1179)

DISCLOSEABLE TRANSACTION AND

DISCLOSURE PURSUANT TO RULES 13.13 AND 13.16 OF THE LISTING RULES

On 18 February 2005, the Company entered into the Guarantee in favour of the Bank in relation to the Facility. Lai Wah is a wholly-owned subsidiary of Best Quality and the Company through its subsidiaries holds a 30% equity interest in Best Quality. Lai Wah is treated as an affiliated company of the Company. The Facility Letter was entered into between the Bank and Lai Wah for the provision of a banking facility of HK\$155,000,000 by the Bank. Pursuant to the Guarantee, a corporate guarantee up to a maximum amount of HK\$46,500,000 (plus interest thereon at the rate payable by Lai Wah and any costs of enforcement) was given to the Bank to secure 30% of the Facility (i.e. in proportion to the Company's attributable equity interest in Lai Wah). The amount of the Guarantee given for the Facility represented approximately 9.2% of the Total Assets and 4.9% of the Market Capitalisation. Accordingly, the provision of the Guarantee constitutes a discloseable transaction of the Company.

As the Percentage Ratio of the Guarantee exceeds 8%, the Company is also required to disclose details of the Guarantee pursuant to Rule 13.13 of the Listing Rules. In addition, as the Percentage Ratio of guarantees given for facilities granted to affiliated companies of the Company together in aggregate exceeds 8%, the Company is also required to disclose details of such guarantees pursuant to Rule 13.16 of the Listing Rules.

A circular containing, among others, further details of the Guarantee will be dispatched to shareholders of the Company as soon as practicable.

THE GUARANTEE

On 18 February 2005, the Company entered into the Guarantee in favour of the Bank in relation to the Facility. Lai Wah is a wholly-owned subsidiary of Best Quality. Ganesh Investments Limited holds a 30% equity interest in Best Quality. Ganesh Investments Limited is wholly owned by Mirabell Group Limited, a direct wholly-owned subsidiary of the Company. Lai Wah is treated as an affiliated company of the Company. The Facility Letter was entered into between the Bank and Lai Wah for the provision of a banking facility of HK\$155,000,000 by the Bank. Pursuant to the Guarantee, a corporate guarantee up to a maximum amount of HK\$46,500,000 (plus interest thereon at the rate payable by Lai Wah and any costs of enforcement) was given by the Company to the Bank to secure 30% of the Facility (i.e. in proportion to the Company's attributable equity interest in Lai Wah). In addition, the Facility is also secured by a corporate guarantee of HK\$155,000,000 given by Best Quality (without recourse to its shareholders), a personal guarantee of HK\$34,100,000 given by Madam Chung Wai Lan, a joint and several guarantee of HK\$74,400,000 given by Mr. Tang Yiu, Ms. Tang Ming Wai Mandy and Mr. Sheng Baijiao and a charge over Lai Wah's 100% equity interests in Lai Zhou Footwear (Shenzhen) Co Ltd (the owner of the Factory development).

The purpose of the Facility is to finance the payment of the land acquisition, the construction costs and the purchase of machineries for the Factory. Construction of the Factory is currently expected to be completed within five years. The Facility is divided into three loans, a land tranche of HK\$35,000,000, a construction tranche of HK\$105,000,000 and a machinery loan of HK\$15,000,000 and carries an interest rate of 1.5% over one month Hong Kong Interbank Money Market Offer Rate (HIBOR) and has a maturity date of five years after the first drawdown date. The principal is repayable by 16 equal quarterly instalments commencing 12 months after the first drawdown. As at the date of this announcement, Lai Wah has not utilized the Facility. The terms of the Facility and the Guarantee were negotiated on an arm's length basis based on the Bank's standard forms and are on normal commercial terms.

The amount of the Guarantee given for the Facility represented approximately 9.2% of the Total Assets and 4.9% of the Market Capitalisation. Accordingly, the provision of the Guarantee constitutes a discloseable transaction of the Company. As the Percentage Ratio of the Guarantee exceeds 8%, the Company is also required to disclose details of the Guarantee pursuant to Rule 13.13 of the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.16 OF THE LISTING RULES

Details of the financial assistance provided by the Company by way of loans to, and guarantees given for facilities granted to, affiliated companies of the Company as at 17 February 2005 (i.e. excluding the Guarantee), which, when aggregated with the Guarantee, in aggregate represented 12.4% of the Total Assets and 6.7% of the Market Capitalisation and are required to be disclosed under Rule 13.16 of the Listing Rules, are as follows:

Affiliated company	Attributable interest held by the Group	Advance and interest	Guarantee given (HK\$'000)	Guaranteed banking facilities utilized (HK\$'000)
1. Lai Wah	30%	nil	10,800	8,330
2. Lai Wah and Staccato*	30%	nil	5,400	4,568

* This represents facilities made available to Lai Wah and Staccato jointly, which is not included in the amount of guarantee solely given for Lai Wah as shown in item 1 above.

As at the date of this announcement, the Company does not have any commitment to inject capital into any of its affiliated companies. Save for the disclosures in this announcement, no other obligations of the Company arise under Rules 13.13 to 13.19 of the Listing Rules.

The Company will comply with the relevant requirements to make disclosures in its interim and annual reports according to Rules 13.20 and 13.22 of the Listing Rules for so long as circumstances giving rise to such disclosure obligation continue to exist at the Company's interim period end or financial year end.

REASONS FOR AND BENEFITS OF GIVING THE GUARANTEE

The Company has an attributable equity interest of 30% in Lai Wah. The Company has given the Guarantee to the Bank in proportion to its attributable equity interest in Lai Wah to enable Lai Wah to procure the Facility for the development of the Factory. The Factory, when constructed, will expand the production capacity of Lai Wah and the Company's investment in Best Quality is expected to benefit therefrom.

The Directors believe that the terms of the Guarantee are fair and reasonable and in the interests of the shareholders of the Company as a whole.

INFORMATION ON LAI WAH

Lai Wah is primarily engaged in trading of leather, wholesaling of footwear and investment holding. Lai Wah is wholly-owned by Best Quality, which is in turn owned by Ms. Tang Ming Wai, Mandy (through a company wholly-owned by Ms. Tang) as to 31%, the Company (through its subsidiary) as to 30% and four other persons, namely Madam Chung Wai Lan, Mr. Sheng Baijiao, Mr. Chu Tsz Ho and Mr. Lau Ngan Wan, (directly or through wholly-owned companies) as to the remaining 39%. Ms. Tang is a daughter of a cousin of two of the Directors, Mr. Tang Wai Lam and Mr. Tang Keung Lam. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the shareholders of Best Quality (other than the Company) are otherwise third parties independent of the Company and connected persons of the Company.

GENERAL

The Group is principally engaged in retailing, wholesaling and manufacturing of footwear.

A circular containing, among others, further details of the Guarantee will be dispatched to shareholders of the Company as soon as practicable.

As at the date of this announcement, the Directors are as follows:

Executive Directors:

Mr. Tang Wai Lam
Mr. Tang Keung Lam
Mr. Ng Man Kit, Lawrence
Mr. Chung Chun Wah

Independent non-executive Directors:

Mr. Lee Kin Sang
Mr. Chan Ka Sing, Tommy
Mr. Ng Chun Chuen, David

Non-executive Director:

Mr. Lee Kwan Hung

DEFINITIONS

“Bank”	The Hongkong and Shanghai Banking Corporation Limited
“Best Quality”	Best Quality Investments Limited, a company incorporated in Samoa
“Company”	Mirabell International Holdings Limited
“Directors”	The directors of the Company
“Facility”	the banking facility of HK\$155,000,000 provided by the Bank to Lai Wah
“Facility Letter”	the letter dated 20 September 2004 from the Bank to Lai Wah and countersigned by Lai Wah for the provision of the Facility, as supplemented by the letters dated 25 November 2004 and 7 December 2004 from the Bank to Lai Wah
“Factory”	the factory at Huaning Road, Xinwei Development Area, Dalang, Longhua Baoan, Shenzhen, the People’s Republic of China proposed to be developed by Lai Wah and used for manufacturing of footwear
“Group”	the Company and its subsidiaries
“Guarantee”	a guarantee dated 18 February 2005 given by the Company in favour of the Bank up to a maximum amount of HK\$46,500,000 (plus interest thereon at the rate payable by Lai Wah and any costs of enforcement) to secure 30% of the Facility
“Lai Wah”	Lai Wah Footwear Trading Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Best Quality
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Market Capitalisation”	the market capitalisation of the Company of approximately HK\$941,761,000 based on the average closing price of the Company’s shares for the five business days immediately preceding the date of the Guarantee
“Percentage Ratio”	the assets ratio set out in Rule 14.07 of the Listing Rules
“Staccato”	Staccato Footwear Company Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of Best Quality
“Total Assets”	the total assets of the Company of HK\$504,894,750 as shown in its unaudited consolidated accounts in its latest published interim report for the six months ended 31 August 2004 after adjustment by the amount of dividend proposed by the Company in such accounts

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

Hong Kong, 18 February 2005

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