



# MIRABELL

## MIRABELL INTERNATIONAL HOLDINGS LIMITED

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1179)**

### ANNOUNCEMENT

The Company has been informed that on 12 September 2005, Belle International issued new redeemable ordinary shares to companies owned by certain persons with expertise in PRC retail management and institutional investors. As a result of the new issue, Best Quality's equity interest in Belle International has been diluted from 100% to approximately 20%.

On the same day, Best Quality declared dividends totaling HK\$180 million, which is expected to be paid on or about 13 September 2005. The Board will consider whether to declare a special dividend after receipt of the dividend from Best Quality.

Since Best Quality is an associated company of the Company in which the Company holds a 30% equity interest, the Board is of the view that such events warrant the issue of a press announcement pursuant to rule 13.09(1) of the Listing Rules.

#### **INFORMATION ON BEST QUALITY AND THE BELLE GROUP**

Best Quality is owned by Ms. Tang Ming Wai (through a company wholly-owned by Ms. Tang) as to 27%, 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 43%. Ms. Tang is a daughter of a cousin of two of the directors of the Company, Mr. Tang Wai Lam and Mr. Tang Keung Lam. Prior to the issue of new redeemable ordinary shares referred to below, Belle International was a wholly-owned subsidiary of Best Quality which acted as a holding company of all other subsidiaries of Best Quality. The Belle Group is primarily engaged in trading of leather, manufacturing, wholesaling and retailing of footwear and investment holding.

#### **ISSUE OF NEW SHARES BY BELLE INTERNATIONAL**

The Company has been informed that on 12 September 2005, Belle International issued new redeemable ordinary shares to companies owned by certain persons with expertise in PRC retail management and institutional investors in connection with its plan to engage in the business of retailing its own products as well as third party products. The Company has also been informed that, apart from the right to require Belle International to redeem such shares, the redeemable ordinary shares rank pari passu in all respects with the ordinary shares and that the issue of redeemable ordinary shares was the result of commercial negotiations between Belle International and its new shareholders.

#### **DECLARATION OF DIVIDEND BY BEST QUALITY**

The Company has also been informed that on 12 September 2005 Best Quality declared dividends totaling HK\$180 million, which is expected to be paid on or about 13 September 2005. The Board will consider whether to declare a special dividend after receipt of the dividend of HK\$54 million from Best Quality.

#### **FINANCIAL EFFECT ON THE GROUP**

The Company has been informed that the new redeemable ordinary shares of Belle International were issued at a subscription price of HK\$2,400 per share and a total subscription price of HK\$471,528,000. The subscription price per share was approximately equal to the consolidated net asset value per share of Belle International calculated based on the unaudited consolidated net asset value of Best Quality as at 30 June 2005 and adjusted for dividends declared referred to above. As a result of the new issue, Best Quality's equity interest in Belle International has been diluted from 100% to approximately 20%, resulting in an estimated deemed gain to Best Quality of approximately HK\$1,719,000. Accordingly, the Company's attributable share of the above estimated deemed gain is approximately HK\$516,000 as Best Quality is an associated company of the Company. The Company's attributable interest in Belle International has been diluted to approximately 6%.

As an associated company of the Company, Best Quality contributed a profit after taxation of approximately HK\$21,312,000 (being 30% of the consolidated profit after taxation of Best Quality) to the consolidated profit after taxation of the Group for the year ended 28 February 2005, representing approximately 27.9% of the consolidated profit after taxation of the Group for that period. Following the new issue of shares by Belle International, members of the Belle Group ceased to be subsidiaries of Best Quality and would only be accounted for as associated companies in the accounts of Best Quality.

The Group has given guarantees amounting to HK\$68,400,000 (HK\$62,700,000 as at 18 February 2005 per the Company's announcement dated 18 February 2005) in relation to the banking facilities granted to certain members of the Belle Group, which mainly represented the Group's then pro-rated share of the guarantees granted to the Belle Group in accordance with its interest in Best Quality. The Company has been informed that the Belle Group intends to negotiate with the banks to reduce the amount of such guarantees so that they will only represent the Group's indirect percentage interest in the Belle Group after the new issue of shares by Belle International.

The Board considers the above warrants the issue of a press announcement pursuant to rule 13.09(1) of the Listing Rules.

As at the date of this announcement, the Board comprises the following directors:

*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**

“Belle Group”	Belle International and its subsidiaries
“Belle International”	Belle International Holdings Limited, a company incorporated in the Cayman Islands
“Best Quality”	Best Quality Investments Limited, a company incorporated in Samoa
“Board”	the board of directors of the Company
“Company”	Mirabell International Holdings Limited
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	People’s Republic of China

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

Hong Kong, 12 September 2005

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