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## **MIRABELL INTERNATIONAL HOLDINGS LIMITED**

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

**(Stock Code: 1179)**

### **DISCLOSEABLE TRANSACTION**

#### **DISPOSAL OF SUBSIDIARY HOLDING PROPERTY IN SHENZHEN**

On 24 December 2007, the Vendor, a wholly-owned subsidiary of the Company, entered into the Preliminary Agreement with the Purchaser under which the Vendor has agreed to sell all the issued shares in Fast Grow (being a wholly-owned subsidiary of the Vendor which owns the Property), and procure the assignment of the shareholders' loan due from Fast Grow to the Group, to the Purchaser.

The Preliminary Agreement and the transaction contemplated thereunder constitute a discloseable transaction of the Company under the Listing Rules. A circular containing further information on the transaction contemplated under the Preliminary Agreement will be despatched to the shareholders of the Company as soon as practicable.

#### **THE PRELIMINARY AGREEMENT**

##### **Date**

24 December 2007

##### **Parties**

Vendor: The Vendor, a wholly-owned subsidiary of the Company  
Purchaser: The Purchaser

The Purchaser is principally engaged in investment holdings. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

## **Assets to be disposed of**

The Vendor has agreed to sell all the issued shares in Fast Grow, a wholly-owned subsidiary of the Vendor, and procure the assignment of the shareholders' loan due from Fast Grow to the Group, to the Purchaser. The shareholders' loan was advanced to Fast Grow to enable Fast Grow to acquire the Property.

Fast Grow is a property holding company and its principal asset is the Property. The Property was acquired by the Group in 2002. The gross rental income received in respect of the Property for the financial years ended 28 February 2006 and 28 February 2007 were approximately HK\$1,860,000 and approximately HK\$1,884,000 respectively. The whole of the Property is currently being rented out to a bank.

The net asset value of Fast Grow and the net amount due from Fast Grow to the Group as at 28 February 2007 were approximately HK\$34,556,000 and approximately HK\$39,002,000 respectively. For the financial years ended 28 February 2006 and 28 February 2007, the net profits before taxation and extraordinary items of Fast Grow were approximately HK\$1,656,000 and approximately HK\$5,285,000 respectively. For the financial years ended 28 February 2006 and 28 February 2007, the net profits after taxation and extraordinary items of Fast Grow were approximately HK\$1,470,000 and approximately HK\$4,717,000 respectively.

## **Consideration**

The consideration is equivalent to the net asset value of Fast Grow (being approximately HK\$34,556,000 as at 28 February 2007) (a) plus the amount of shareholder's loan due from Fast Grow to the Group (being approximately HK\$39,002,000 net as at 28 February 2007), the deferred tax liabilities of Fast Grow (being approximately HK\$2,022,000 as at 28 February 2007) and HK\$78,500,000 (being the value of the Property as agreed between the parties) and (b) minus the book value of the Property (being approximately HK\$75,000,000 as at 28 February 2007), with the relevant figures being based on the balance sheet of Fast Grow as at the date of completion of the sale and purchase. It is currently estimated that the consideration would amount to approximately HK\$79 million.

The rental income of the Property in respect of January 2008, after deducting any tax or duties payable thereon, will belong to the Vendor. Accordingly, such rental income (to the extent not already reflected in the net asset value of Fast Grow as at the date of completion) will be added to the consideration.

Although there is no cap on the consideration, the actual amount of consideration paid will not result in the transaction being classified as a major transaction.

The consideration is payable by the Purchaser in cash as follows:

- (a) the Purchaser is to remit a deposit of HK\$2,000,000 to the Vendor's solicitors as stakeholder at or before the signing of the Preliminary Agreement; and
- (b) the balance is payable to the Vendor on the date of completion of the transaction.

The consideration was determined after arm's length negotiations between the Vendor and the Purchaser by reference to the independent valuation by DTZ Debenham Tie Leung Limited of the Property as at 28 February 2007 of HK\$75,000,000 and the market movement since then, which the Board considers to be a fair and reasonable basis.

### **Transfer Agreement and completion**

The Vendor and the Purchaser have agreed to conduct the sale and purchase according to market practice and to enter into the Transfer Agreement and complete the transaction on or before 29 February 2008 (and targeting 15 January 2008), failing which the transaction will be completed on 29 February 2008 pursuant to the Preliminary Agreement. The Vendor may forfeit the deposit paid by the Purchaser if the Purchaser fails to pay the balance of the consideration in breach of the Transfer Agreement or (if completion is to occur in accordance with the Preliminary Agreement) the Preliminary Agreement.

Upon completion of the transaction, Fast Grow will cease to be a subsidiary of the Company.

### **Due diligence**

The Purchaser may conduct due diligence on Fast Grow and the Property until the earliest of (a) the signing of the Transfer Agreement; (b) the termination of the Preliminary Agreement; and (c) 23 January 2008. Should the Purchaser prove that the title to the shares of Fast Grow or the Property is defective, the Purchaser may terminate the Preliminary Agreement and the deposit will then be refunded to the Purchaser.

### **REASONS FOR AND BENEFITS OF THE TRANSACTION**

In view of the current buoyancy in the property market of Mainland China, the Board considers that it is in the interests of the Group to realise the investment in the Property. The proceeds of the disposal are currently intended to be used for expansion of business in Greater China.

Based solely on the audited accounts of Fast Grow for the year ended 28 February 2007, it is expected that the Group would recognise a gain on disposal of approximately HK\$5,522,000, representing the difference between the consideration and the sum of the net asset value of Fast Grow and the net amount due from Fast Grow to the Group based on such accounts.

The Board believes that the terms of the transaction are fair and reasonable and in the interests of the shareholders of the Company as a whole.

### **GENERAL**

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

A circular containing further information on the transaction contemplated under the Preliminary Agreement will be despatched to the shareholders of the Company as soon as practicable.

## DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Mirabell International Holdings Limited
“Fast Grow”	Fast Grow Limited, a company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Preliminary Agreement”	the preliminary agreement dated 24 December 2007 between the Vendor and the Purchaser in relation to the sale and purchase of shares in Fast Grow
“Property”	Units 101, 102 and 103, 1st Level, East Block, International Commercial Building, Jiabin Road, Luohu District, Shenzhen, Guangdong Province, People’s Republic of China
“Purchaser”	Swanworld Limited, a company incorporated in the British Virgin Islands with limited liability
“Transfer Agreement”	the detailed agreement to be entered into between the Vendor and the Purchaser pursuant to the Preliminary Agreement
“Vendor”	Mirabell Group Limited, a company incorporated in the British Virgin Islands with limited liability

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

Hong Kong, 24 December 2007

As at the date of this announcement, the directors of the Company are:

*Executive directors:*

Mr. Tang Wai Lam  
Mr. Ng Man Kit, Lawrence  
Mr. Chung Chun Wah  
Mr. Leung Kelvin Yiu Fai

*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