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Belle International Holdings Limited

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

(Stock code: 1880)



Mirabell International Holdings Limited

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

(Stock code: 1179)

Belle Group Limited

*(Incorporated in the British Virgin Islands with limited liability)*

#### **JOINT ANNOUNCEMENT**

**Possible voluntary conditional cash offer  
by DBS Asia Capital Limited on behalf of  
Belle Group Limited, a wholly-owned subsidiary of  
Belle International Holdings Limited,  
to acquire all shares in the share capital of  
Mirabell International Holdings Limited and  
to cancel all the outstanding share options, and  
Resumption of Trading of Belle International Holdings Limited and  
Mirabell International Holdings Limited**

**Financial adviser to Belle Group Limited**



## SUMMARY

On 22 February 2008, a letter was sent by BGL (a wholly-owned subsidiary of Belle) to inform Mirabell that BGL is considering making a proposed voluntary conditional cash offer to acquire all of the issued and to be issued shares in the share capital, and for the cancellation of all the outstanding share options, of Mirabell.

As the relevant percentage ratios of the consideration payable to the Controlling Shareholders for the Acquisition exceed 2.5%, the Acquisition requires the approval of independent shareholders of Belle. A separate announcement regarding such connected transaction was issued by Belle on the same date of this announcement.

The making of the Offers is subject to the approval of the Acquisition by the Independent Shareholders pursuant to an ordinary resolution passed at the EGM (the "Pre-Condition"). All references to the Offers in this announcement are possible Offers which will be made if and only if the Pre-Condition is satisfied. An announcement will be made by Belle in relation to the voting results of the EGM. The Pre-Condition is not waivable. The Offers will be made in compliance with the Takeovers Code, which is administered by the Executive.

The Offers, if and when made, will be made on the following basis:

For each Offer Share . . . . . HK\$6.00 in cash

For each Share Option with an exercise price of HK\$2.875 per Offer  
Share . . . . . HK\$3.125 in cash

For each Share Option with an exercise price of HK\$5.896 per Offer  
Share . . . . . HK\$0.104 in cash

As at the date of this announcement, there are 262,320,000 Offer Shares in issue and outstanding Share Options involving 16,420,000 Offer Shares. Other than the Share Options, Mirabell has no other options, warrants or other securities that carry a right to subscribe for or which are convertible into Offer Shares.

## RESUMPTION OF TRADING

At the request of Belle, trading in the shares in Belle on the Stock Exchange was suspended from 9:30 a.m. on 25 February 2008 (Hong Kong time), pending the issue of this announcement and the announcement of Belle regarding discloseable and connected transactions. Application has been made by Belle to the Stock Exchange for the resumption of trading in the shares in Belle on the Stock Exchange with effect from 9:30 a.m. on 29 February 2008 (Hong Kong time).

At the request of Mirabell, trading in the shares in Mirabell on the Stock Exchange was suspended

from 9:30 a.m. on 25 February 2008 (Hong Kong time), pending the issue of this announcement. Application has been made by Mirabell to the Stock Exchange for the resumption of trading in the shares in Mirabell on the Stock Exchange with effect from 9:30 a.m. on 29 February 2008 (Hong Kong time).

## INTRODUCTION

On 22 February 2008, a letter was sent by BGL (a wholly-owned subsidiary of Belle) to inform Mirabell that BGL is considering making a proposed voluntary conditional cash offer to acquire all of the issued and to be issued shares in the share capital, and for the cancellation of all the outstanding share options, of Mirabell.

As at the date of this announcement, Tang Yiu is a controlling shareholder (which has the meaning as defined in the Listing Rules) and an executive director of Belle and is accordingly a connected person of Belle. Tang Yiu's cousins, Tang Keung Lam and Tang Wai Lam, and together with related parties (including Tso Lai Kuen, the spouse of another brother of Tang Keung Lam and Tang Wai Lam) have, by an Irrevocable Undertaking dated 28 February 2008, irrevocably undertaken to accept the Offers (as and when it is made) in respect of all Offer Shares held by them. As each of Tang Keung Lam, Tang Wai Lam and Tso Lai Kuen is a connected person of Belle, BGL's acquisition of the Offer Shares from the Controlling Shareholders (as and when the Offers become or are declared unconditional) (the "**Acquisition**") constitutes a connected transaction of Belle under the Listing Rules. As the relevant percentage ratios of the consideration payable to the Controlling Shareholders for the Acquisition exceed 2.5%, the Acquisition requires the approval of independent shareholders of Belle. A separate announcement regarding such connected transaction was issued by Belle on the same date of this announcement.

The making of the Offers is thus subject to the approval of the Acquisition by the independent shareholders of Belle pursuant to an ordinary resolution passed at the EGM (the "**Pre-Condition**"). All references to the Offers in this announcement are possible Offers which will be made if and only if the Pre-Condition is satisfied. An announcement will be made by Belle in relation to the voting results of the EGM. The Pre-Condition is not waivable. The Offers will be made in compliance with the Takeovers Code, which is administered by the Executive.

## THE OFFERS

The Offers, if and when made, will be made on the following basis:

<b>For each Offer Share</b> .....	<b>HK\$6.00 in cash</b>
<b>For each Share Option with an exercise price of HK\$2.875 per Offer Share</b> .....	<b>HK\$3.125 in cash</b>
<b>For each Share Option with an exercise price of HK\$5.896 per Offer Share</b> .....	<b>HK\$0.104 in cash</b>

As at the date of this announcement, there are 262,320,000 Offer Shares in issue and outstanding Share Options involving 16,420,000 Offer Shares. Other than the Share Options, Mirabell has no other options, warrants or other securities that carry a right to subscribe for or which are convertible into Offer Shares.

### **Comparisons of value**

The Share Offer Price represents:

	<b>Share Price of Mirabell</b>	<b>Premium of the Share Offer Price to the Share Price</b>	
	HK\$	HK\$	%
Closing price on the Last Trading Date	\$5.21	\$0.79	15.16%
Average closing price for the last 5 trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date	\$5.31	\$0.69	12.99%
Average closing price for the last 10 trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date	\$5.30	\$0.70	13.21%
Average closing price for the last 30 trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date	\$5.10	\$0.90	17.65%
Average closing price for the last 60 trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date	\$5.08	\$0.92	18.11%
Average closing price as quoted on the Stock Exchange for the three months immediately prior to and including the Last Trading Date	\$5.07	\$0.93	18.34%
Average closing price as quoted on the Stock Exchange for the six months immediately prior to and including the Last Trading Date	\$5.02	\$0.98	19.52%

The Share Offer Price also represents a premium of approximately 18.81% over the consolidated shareholders equity per Offer Share of approximately HK\$5.05 as at 28 February 2007 (based on the consolidated shareholders equity as at that date of approximately HK\$1,284,327,000 and 254,530,000 Offer Shares in issue, as shown in the 2006/2007 annual report of Mirabell).

The Option Offer Price represents the difference between the exercise price of the respective Share Options and the Share Offer Price.

### ***Highest and lowest prices***

During the six month period preceding the Last Trading Date, the highest closing price of the Offer Shares as quoted on the Stock Exchange was HK\$6.00 each on 5 November 2007 and the lowest closing price of the Offer Shares as quoted on the Stock Exchange was HK\$3.25 each on 29 August 2007.

### ***Consideration for the Offer Shares and the Share Options***

Based on the Share Offer Price of HK\$6.00 per Offer Share and 262,320,000 Offer Shares in issue as at the date of this announcement, the entire issued share capital of Mirabell is valued at about HK\$1,573.92 million. Accordingly, the maximum amount payable under the Share Offer (assuming no Share Options are exercised and the Share Offer is accepted in full) is HK\$1,573.92 million.

Based on the Option Offer Price of (i) HK\$3.125 per Share Option with exercise price of HK\$2.875 for each Offer Share in respect of outstanding Share Options involving 13,250,000 Offer Shares; and (ii) HK\$0.104 per Share Option with exercise price of HK\$5.896 for each Offer Share in respect of outstanding Share Options involving 3,170,000 Offer Shares, as at the date of this announcement, the maximum amount payable under the Option Offer (assuming no Share Options are exercised prior to the Closing Date and the Option Offer is accepted in full) is HK\$41,735,930.

In the event all the Share Options are exercised in full by Mirabell Optionholders prior to the Closing Date and the Share Offer is accepted in full (including all Offer Shares issued and allotted as a result of the exercise of the Share Options), the maximum amount payable by BGL pursuant to the Share Offer will be increased to approximately HK\$1,672.44 million and no amount will then be payable under the Option Offer. In such case Mirabell should have received an aggregate subscription price of HK\$56,784,070 from the exercise of the Share Options.

The consideration payable under the Offers was determined on the basis of the most recent published financial information of Mirabell and the prevailing market price of the Offer Shares.

### ***Settlement of consideration***

Settlement of consideration in respect of acceptances of the Offers will be made as soon as possible but in any event within ten days of the date of receipt of a complete and valid acceptance in respect of the Offers or of the Unconditional Date, whichever is the later.

### ***Share Option Scheme***

As at the date of this announcement, Mirabell had (i) outstanding Share Options entitling Mirabell Optionholders to subscribe for up to an aggregate of 13,250,000 Offer Shares at an exercise price of HK\$2.875 per Offer Share, and (ii) outstanding Share Options entitling Mirabell Optionholders to subscribe for up to an aggregate of 3,170,000 Offer Shares at an exercise price of HK\$5.896 per Offer Share. If the Share Options are exercised in full, Mirabell will have to issue 16,420,000 Offer Shares, representing approximately 5.89% of the enlarged issued share capital of Mirabell.

## **CONFIRMATION OF FINANCIAL RESOURCES**

The maximum amount of aggregate cash consideration to be paid to Mirabell Shareholders and Mirabell Optionholders in connection with the Offers (including the compulsory acquisition which may be undertaken in connection with the Offers and assuming all the Share Options are exercised in full prior to the Closing Date) is approximately HK\$1,672.44 million. This amount will be funded by BGL from its internal financial resources.

DBS is satisfied that sufficient financial resources are available to BGL to implement the Offers in full as described above.

## **CONDITIONS OF THE OFFERS**

The Offers will be conditional on the satisfaction or waiver of the following Conditions:

- (a) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as BGL may, subject to the rules of the Takeovers Code, decide) in respect of at least 90% of the Disinterested Shares;
- (b) the Offer Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading of the Offer Shares as a result of the Offers and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Offer Shares on the Stock Exchange is or is likely to be withdrawn;
- (c) the Authorisations having been obtained or made from, with or by (as the case may be) the Relevant Authorities, in the Cayman Islands, Hong Kong and/or any other relevant jurisdictions and the Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions in relation to the Offers having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, under or pursuant to the relevant laws, rules, regulations or codes in connection with the Offers (other than those which are not onerous and are purely administrative or procedural in nature), in each aforesaid case up to the Closing Date;
- (d) no event having occurred which would make the Offers or the acquisition of the Offer Shares void, unenforceable or illegal or which would prohibit the implementation of the Offers or the acquisition of the Offer Shares or impose any additional material conditions or obligations with respect to the Offers or the acquisition of the Offer Shares or any part thereof;
- (e) no relevant government, governmental, quasi-governmental, super-national, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation or order that would make the Offers or the acquisition of the Offer Shares void, unenforceable or illegal or prohibit the implementation of, or impose any material conditions or obligations with respect to, the Offers or the acquisition of the Offer Shares;

- (f) if required, the obtaining by Belle and BGL of such other necessary consent, approval, authorisation, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary for the performance of the Offers or the acquisition of the Offer Shares under applicable laws and regulations;
  
- (g) there being no provision of any arrangement, agreement, licence or other instrument to which any member of the Mirabell Group is a party or by or to which any of them is or are or may be bound, entitled or subject which as a consequence of the implementation of the Offers or the acquisition of the Offer Shares or because of a change in control or management of Mirabell could or might reasonably result in, to an extent which is material in the context of the Mirabell Group taken as a whole:
  - (i) any monies borrowed by or other indebtedness (actual or contingent) of any member of the Mirabell Group being repayable or being capable of being declared payable prior to their stated maturity;
  - (ii) the creation of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Mirabell Group or any such security (whether arising or having arisen) becoming enforceable;
  - (iii) any such arrangement, agreement, licence, permit, franchise or other instrument being terminated or adversely modified or any material action being taken or any material obligation arising thereunder;
  
- (h) save as publicly announced prior to 28 February 2008 (being the date of this announcement), no member of the Mirabell Group having since 28 February 2007 (being the date to which the latest published audited accounts of Mirabell were made up):
  - (i) issued, agreed or authorised or proposed the issue of additional shares of any class, or securities convertible into, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save as for Offer Shares which may be issued pursuant to the exercise of the Share Options or between Mirabell and its wholly-owned subsidiaries) and including, for the avoidance of doubt, any scrip dividend;
  - (ii) recommended, declared, paid or made any bonus shares, dividend or other distribution other than between members of the Mirabell Group;
  - (iii) to an extent which is material in the context of the Mirabell Group as a whole, merged with any body corporate or acquired or disposed of any assets or authorised, proposed or announced any intention to propose any merger, demerger, acquisition or disposal;
  - (iv) issued, authorised or proposed the issue of any debentures or, save in the ordinary course of business, incurred or increased any indebtedness or contingent liability in each case to an extent which is material in the context of the Mirabell Group taken as a whole;
  - (v) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or redeemed or reduced or made any

other change to any part of its share capital to an extent which is material in the context of the Mirabell Group taken as a whole;

- (vi) entered into any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term or unusual nature or magnitude, and which involves or is likely to involve an obligation of a nature or magnitude which, in any case, is material in the context of the Mirabell Group taken as a whole; or
  - (vii) made or authorised or proposed or announced an intention to propose any change in its loan capital to an extent which is material in the context of the Mirabell Group taken as a whole;
- (i) save as publicly announced prior to 28 February 2008 (being the date of this announcement), since 28 February 2007 (being the date to which the latest published audited accounts of Mirabell were made up):
- (i) there having been no material adverse change in the business, financial or trading position or prospects of any member of the Mirabell Group to an extent which is material in the context of the Mirabell Group taken as a whole; and
  - (ii) no contingent liability having arisen which might be expected to materially or adversely affect the Mirabell Group as a whole;
  - (iii) there not having been instituted or remaining outstanding any material litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Mirabell Group is a party (whether as plaintiff or defendant or otherwise) and no such proceedings having been threatened in writing against any such member and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member in each case which is material and adverse in the context of the Mirabell Group taken as a whole; and
- (j) each member of the Mirabell Group remaining solvent and not being subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, receiver or other person carrying out any similar function having been appointed anywhere in the world in respect of the whole or any substantial part of the assets and undertakings of any member of the Mirabell Group from the date of this announcement up to the date when all the other conditions are satisfied or waived, as applicable.

To the extent legally permissible, BGL reserves the right to waive all or any of the Conditions to the Offers set out above, in whole or in part. Condition (a) may be waived subject to BGL having received acceptance in respect of Offer Shares which would result in BGL and its Concert Parties holding more than 50% of the voting rights of Mirabell.

In addition to the Conditions set out above, the Share Offer is made on the basis that acceptance of the Share Offer by any person will constitute a warranty by such person or persons to BGL that the Offer Shares acquired under the Share Offer are sold by such person or persons free from all third



party rights, liens, charges, equities, adverse interests and encumbrances whatsoever and together with all rights attaching thereto as at the date of this announcement or subsequently becoming attached to them, including the right to receive all dividends (whether final or interim) and other distributions, if any, declared, made or paid on or after the date of this announcement.

In addition to the Conditions set out above, the Option Offer will be subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. Further, the Option Offer will be made on the basis that acceptance of the Option Offer by any person will constitute a warranty by such person or persons to BGL that the Share Options are free from all third party rights, liens, charges, equities and encumbrances and are to be cancelled and renounced together with all rights attaching thereto as at the date of this announcement or subsequently becoming attaching to them.

**WARNING:**

**The shareholders and/or potential investors of Belle and Mirabell should be aware that the Offers will be made only if the approval of the Acquisition by the independent shareholders of Belle at the EGM has been obtained, and that the implementation of the Offers is subject to the Conditions being fulfilled or waived, as applicable, and thus the Offers may or may not be made. The shareholders and potential investors of Belle and Mirabell should therefore exercise caution when dealing in the shares in Belle and Mirabell.**

**IRREVOCABLE COMMITMENTS**

The Controlling Shareholders had on 28 February 2008 executed a Deed of Irrevocable Undertaking (the “**Irrevocable Undertaking**”) in favour of Belle and BGL, pursuant to which the Controlling Shareholders undertook to accept the Share Offer in respect of all the 164,925,000 Offer Shares collectively held by them as at the date of the Irrevocable Undertaking, representing in aggregate approximately 62.87% of the issued share capital of Mirabell (assuming no Share Options are exercised). Assuming the Offers are proceeded and based on the Offer Price of HK\$6.00 per Offer Share, pursuant to the Irrevocable Undertaking, BGL shall acquire from the Controlling Shareholders the 164,925,000 Offer Shares held by them at a total consideration of HK\$989,550,000.

The obligations of the Controlling Shareholders to accept the Share Offer shall lapse if (i) the Offers lapse or are being withdrawn or any Condition has been invoked; (ii) the Share Offer is materially altered in terms of the offer structure and/ or which result in a material deviation from the terms and conditions of the Offers (excluding the increase of the Share Offer Price or extension of the Offer Period and/or amendments to the terms of the Offers which are customary or conventional in an offer of similar nature); or (iii) the Offer Document is not despatched upon the expiry of 145 days from the date of this announcement.

**INFORMATION ON BELLE AND BGL**

Belle was incorporated in the Cayman Islands on 19 April 2004 as an exempted company with limited liability under the Companies Law. Belle was listed on the Main Board of the Stock Exchange on 23 May 2007, trading under the stock code 1880. Belle and its subsidiaries are principally engaged in the manufacturing, distribution and sale of ladies’ and men’s footwear, and distribution and sale of sportswear and apparel in the PRC, Hong Kong, Macau and the United States of America. BGL, being a wholly-owned subsidiary of Belle, is an investment holding company incorporated in the BVI and

does not conduct any business. Further information on Belle and BGL will be contained in the Composite Document.

## **INFORMATION ON THE MIRABELL GROUP**

Mirabell was incorporated in the Cayman Islands on 12 July 1996 as an exempted company with limited liability under the Companies Law. Mirabell was listed on the Main Board of the Stock Exchange on 6 December 1996, trading under the stock code 1179. The Mirabell Group is principally engaged in the retailing, wholesaling and manufacturing of footwear.

The audited consolidated net asset value of Mirabell was approximately HK\$1,284,327,000 as at 28 February 2007. Mirabell recorded an audited consolidated net profit before tax and extraordinary items attributable to Mirabell Shareholders of approximately HK\$71,888,000 and HK\$116,777,000 for each of the years ended 28 February 2006 and 28 February 2007, respectively. Mirabell recorded an audited consolidated net profit after tax and extraordinary items attributable to Mirabell Shareholders of approximately HK\$65,497,000 and HK\$105,462,000 for each of the years ended 28 February 2006 and 28 February 2007, respectively.

Tang's Enterprises Limited, being a controlling shareholder of Mirabell, is an investment company incorporated in the BVI and is wholly-owned by Rich Land Property Limited, Kinlington Agents Limited and Mosman Associates Limited collectively. Each of Rich Land Property Limited, Kinlington Agents Limited and Mosman Associates Limited is an investment company incorporated in the BVI. Each of Rich Land Property Limited, Kinlington Agents Limited and Mosman Associates Limited, is wholly-owned by a discretionary trust founded by Tang Wai Lam, Tang Keung Lam and Tso Lai Kuen, respectively. The Controlling Shareholders are together interested in and have control over 164,925,000 Offer Shares, representing approximately 62.87% of the issued share capital of Mirabell.

Further information in relation to the Mirabell Group will be contained in the Composite Document.

## **INDEPENDENT BOARD COMMITTEE OF MIRABELL**

Under Rule 2.1 of the Takeovers Code, a board which receives an offer must establish an independent committee of the board to make a recommendation (i) as to whether the offer is, or is not, fair and reasonable and (ii) as to acceptance or voting. Lee Kwan Hung, a non-executive Mirabell Director, is a partner of Woo, Kwan, Lee & Lo, the legal advisers as to Hong Kong laws of Mirabell and the Controlling Shareholders in relation to the Offers, and is therefore not considered to be independent under the Takeovers Code to opine on the terms of the Offers. As a result, Lee Kin Sang, Chan Ka Sing, Tommy and Ng Chun Chuen, David, all of whom are independent non-executive Mirabell Directors, have been appointed as members of the independent board committee of Mirabell in respect of the Offers.

An independent financial adviser will be appointed, subject to approval by the independent board committee of Mirabell, to advise the independent board committee of Mirabell in respect of the Offers in due course. Further announcement will be made by Mirabell upon the appointment of the independent financial adviser.

## REASONS FOR THE OFFERS

Belle believes that there are compelling commercial reasons for a combination of Belle and Mirabell.

It is the Belle Group's corporate development strategy to put emphasis on developing mid-range to high-end leisure footwear business. In view that the branded footwear products sold and distributed by the Mirabell Group fall into the price range between US\$60 to US\$300, a market segment which Belle considers to have huge growth potential in the PRC, Belle believes that the acquisition of Mirabell through the implementation of the Offers will complement each other's current footwear business.

As the overseas businesses of Mirabell, in particular those operated in Hong Kong, have been managed by experienced management personnel, Belle believes that the implementation of the Offers will benefit and enhance the Belle Group's overseas business operations. At the same time, Belle believes that its extensive retail network, current scale of operations and strong management experience in the PRC will further enhance the development of Mirabell's business operations in the PRC.

As in previous acquisitions undertaken by Belle (including the mergers with Millie's and Senda), Belle believes that the implementation of the Offers (which will result in the combination of the businesses of Belle and Mirabell) would be the growth driver of Belle's businesses which generates new business opportunities for the Belle Group and enables Belle to capture revenue synergies.

## BELLE'S INTENTIONS IN RELATION TO MIRABELL

### *Compulsory Acquisition and Withdrawal of Listing*

In the event Condition (a) is satisfied, BGL intends to exercise the right under section 88 of the Companies Law to compulsorily acquire those Offer Shares not acquired by BGL under the Share Offer. On completion of the compulsory acquisition, Mirabell will become a wholly-owned subsidiary of Belle and an application will be made for the withdrawal of the listing of the Offer Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

According to Rule 15.6 of the Takeovers Code, as BGL may consider exercising its rights under the relevant provisions of the Companies Law to compulsorily acquire those Offer Shares not acquired by BGL under the Share Offer, the Share Offer may not remain open for acceptance for more than four months from the posting of the Offer Document, unless BGL has by that time become entitled to exercise the power of compulsory acquisition available to it under the Companies Law, in which event BGL will do so without delay.

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where BGL seeks to acquire or privatise Mirabell by means of the Share Offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirement imposed by the Companies Law, acceptance of the Share Offer and purchases made by BGL and its Concert Parties during the period of four months after posting of the Offer Document total 90% of the Disinterested Shares.

**WARNING: Furthermore, if the level of acceptances reaches the prescribed level under the Companies Law and Rule 2.11 of the Takeovers Code permits a compulsory acquisition and**

**BGL proceeds with the privatisation of Mirabell, dealings in the securities of Mirabell will be suspended from the Closing Date up to the withdrawal of listing of Mirabell's securities from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.**

### ***Maintaining the Listing***

In the event that the compulsory acquisition rights are not available to BGL and the Offers close, BGL will, together with Mirabell, use reasonable endeavours to maintain the listing of the Offer Shares on the Stock Exchange and will ensure that not less than 25% of the Offer Shares will be held by the public in compliance with the Listing Rules.

**If, at the close of the Offers, less than 25% of the Offer Shares are held by the public or if the Stock Exchange believes that:**

- **a false market exists or may exist in the trading of the Offer Shares, or**
- **there are insufficient Offer Shares in public hands to maintain an orderly market,**

**then the Stock Exchange may exercise its discretion to suspend dealings in the Offer Shares. In this connection, it should be noted that upon completion of the Offers, there may be insufficient public float for the Offer Shares and therefore, trading in the Offer Shares may be suspended until a prescribed level of public float is attained.**

### **BENEFITS OF THE OFFERS FOR MIRABELL SHAREHOLDERS**

Belle believes that the Offers give Mirabell Shareholders an opportunity to realize their investment in the Mirabell Group at a price which is above the market price of Offer Shares on the Last Trading Date.

### **FURTHER TERMS OF THE OFFERS**

#### ***Offer Shares***

Under the terms of the Share Offer, the Offer Shares will be acquired with all rights attached thereto as at the date of this announcement or which subsequently become attached thereto, including the right to receive in full all dividends and other distributions, if any, declared, made or paid, on or after the date of this announcement, and free from all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

Under the terms of the Option Offer, the Share Options of the accepting Mirabell Optionholders, together with all rights attaching thereto, will be entirely cancelled and renounced.

#### ***Hong Kong stamp duty***

Sellers' ad valorem stamp duty arising in connection with acceptance of the Share Offer will be payable by each Mirabell Shareholder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by BGL for such person's Offer Shares and will be deducted from the cash amount due to such accepting Mirabell Shareholder. BGL will pay the buyer's ad valorem stamp duty

on its own behalf and the seller's ad valorem stamp duty on behalf of the accepting Mirabell Shareholders in respect of the Offer Shares accepted under the Share Offer.

No stamp duty is payable in connection with the Option Offer.

## **GENERAL MATTERS RELATING TO THE OFFERS**

### ***Availability of the Offers***

BGL intends to make available the Offers to all Mirabell Shareholders and Mirabell Optionholders, including those with registered addresses, as shown on the register of members of Mirabell, who are outside Hong Kong. The availability of the Offers to persons not resident in Hong Kong may be affected by the laws of the relevant overseas jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

### ***Composite Document***

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document should be posted within 21 days of the date of this announcement. As the making of the Offers is conditional upon satisfaction of the Pre-Condition, the Composite Document is, subject to Executive's consent, expected to be despatched to the Mirabell Shareholders in accordance with the Takeovers Code within 7 days of the fulfilment of the Pre-Condition.

The Composite Document will contain details of, among other things, the Offers, a letter from the independent board committee of Mirabell in relation to the Offers and a letter from an independent financial adviser to the independent board committee in respect of the Offers. An expected timetable in relation to the Offers will be included in the Composite Document.

### ***Further agreements or arrangements***

As at the date of this announcement, there are no arrangements (whether by way of option, indemnity or otherwise) in relation to shares of Belle or Mirabell which might be material to the Offers.

As at the date of this announcement, save for the Pre-Condition, there are no agreements or arrangements to which BGL is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers.

### ***Completion of the Offers***

If the Conditions are not satisfied (or, if permissible, waived) on or before the Closing Date, the Offers will lapse unless extended by BGL.

In that case, BGL will issue an announcement in relation to the revision, extension, expiry or unconditionality of the Offers in accordance with the Takeovers Code and Listing Rules by 7:00 p.m. on the Closing Date. The latest date on which BGL can declare the Offers unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent).

If the Conditions are satisfied (or, if permissible, waived), Mirabell Shareholders will be notified by an announcement in accordance with the Takeovers Code and Listing Rules as soon as practicable thereafter.

#### ***Interest of BGL and its Concert Parties in Mirabell***

None of BGL nor any of its Concert Parties owns or controls any Offer Shares or any convertible securities, warrants, options or Share Options (or other outstanding derivatives) in respect of the Offer Shares, and none of them had any holdings in the Offer Shares or had dealt in the Offer Shares in the six months prior to the commencement of the Offer Period.

#### **SUSPENSION AND RESUMPTION OF TRADING IN THE SHARES OF BELLE AND THE SHARES OF MIRABELL**

At the request of Belle, trading in the shares in Belle on the Stock Exchange was suspended from 9:30 a.m. on 25 February 2008 (Hong Kong time), pending the issue of this announcement and the announcement of Belle regarding discloseable and connected transactions. Application has been made by Belle to the Stock Exchange for the resumption of trading in the shares in Belle on the Stock Exchange with effect from 9:30 a.m. on 29 February 2008 (Hong Kong time).

At the request of Mirabell, trading in the shares in Mirabell on the Stock Exchange was suspended from 9:30 a.m. on 25 February 2008 (Hong Kong time), pending the issue of this announcement. Application has been made by Mirabell to the Stock Exchange for the resumption of trading in the shares in Mirabell on the Stock Exchange with effect from 9:30 a.m. on 29 February 2008 (Hong Kong time).

#### **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

<b>“associates”</b>	has the meaning ascribed to it in the Listing Rules;
<b>“Authorisations”</b>	means all necessary authorisations, registrations, filings, rulings, consents, permissions and approvals in connection with the Offers and the acquisition of the Offer Shares;
<b>“Belle”</b>	means Belle International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange;
<b>“Belle Directors”</b>	means the directors of Belle for the time being;
<b>“Belle Group”</b>	means Belle and its subsidiaries;

<b>“BGL”</b>	means Belle Group Limited, a company incorporated in the BVI and a wholly-owned subsidiary of Belle;
<b>“BVI”</b>	means the British Virgin Islands;
<b>“Closing Date”</b>	means the date to be stated in the Composite Document as the first closing date of the Offers or any subsequent closing date as may be announced by BGL and approved by the Executive;
<b>“Companies Law”</b>	means the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised);
<b>“Composite Document”</b>	means the Offer Document and the Response Document to be issued jointly by Belle, BGL and Mirabell in connection with the Offers;
<b>“Concert Parties”</b>	means parties acting in concert with BGL, as determined in accordance with the Takeovers Code;
<b>“Conditions”</b>	means the conditions of the Offers, as set out under the paragraph headed “Conditions of the Offers” of this announcement;
<b>“Controlling Shareholders”</b>	means collectively Tang Keung Lam, Tang Wai Lam and Tso Lai Kuen, and the entities controlled by them, being Tang’s Enterprises Limited, Rich Land Property Limited, Kinlington Agents Limited and Mosman Associates Limited, who are together interested in 164,925,000 Offer Shares, representing approximately 62.87% of the issued share capital of Mirabell;
<b>“DBS”</b>	means DBS Asia Capital Limited, which is licensed by the Securities and Futures Commission of Hong Kong to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to BGL in relation to the Offers;
<b>“Disinterested Shares”</b>	means all of the Offer Shares other than those held by BGL and its Concert Parties;
<b>“EGM”</b>	means the extraordinary general meeting of the shareholders of Belle for the purpose of approving the Acquisition and the transactions contemplated thereunder;
<b>“Executive”</b>	means the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director;
<b>“HK\$”</b>	means Hong Kong dollar(s), the lawful currency of Hong Kong;

<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the People's Republic of China;
<b>“Last Trading Date”</b>	means 22 February 2008, being the last trading day prior to the suspension of trading in the Offer Shares pending the publication of this announcement;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
<b>“Mirabell”</b>	means Mirabell International Holdings Limited, a limited company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange;
<b>“Mirabell Director(s)”</b>	means the director(s) for the time being of Mirabell;
<b>“Mirabell Group”</b>	means Mirabell and its subsidiaries;
<b>“Mirabell Optionholders”</b>	means registered grantees/ holders for the time being of the Share Options;
<b>“Mirabell Shareholders”</b>	means registered holders for the time being of the Offer Shares;
<b>“Offer Document”</b>	means the document required to be issued by, or on behalf of, Belle and BGL to all Mirabell Shareholders and Mirabell Optionholders in accordance with the Takeovers Code containing, <i>inter alia</i> , details of the Offers and the terms and conditions of the Offers and forming part of the Composite Document;
<b>“Offer Period”</b>	has the meaning ascribed to it in the Takeovers Code;
<b>“Offer Shares”</b>	means ordinary shares of HK\$0.10 each in the issued share capital of Mirabell;
<b>“Offers”</b>	means the Share Offer and the Option Offer;
<b>“Option Offer Price”</b>	means the cash amount of (i) HK\$3.125 per Share Option with exercise price of HK\$2.875 for each Offer Share; or (ii) HK\$0.104 per Share Option with exercise price of HK\$5.896 for each Offer Share payable by BGL to Mirabell Optionholders for each Share Option accepted under the Option Offer;
<b>“Option Offer”</b>	means the voluntary conditional cash offer for cancellation of the Share Options at the Option Offer Price;



<b>“Relevant Authorities”</b>	means the appropriate governments and/or governmental bodies, regulatory bodies, tribunals, authorities, courts or institutions;
<b>“Response Document”</b>	means the document required to be issued by Mirabell to Mirabell Shareholders and Mirabell Optionholders in accordance with the Takeovers Code containing, <i>inter alia</i> , the board circular of Mirabell and forming part of the Composite Document;
<b>“SFO”</b>	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
<b>“SFC”</b>	means the Securities and Futures Commission of Hong Kong;
<b>“Share Offer”</b>	means the voluntary conditional cash offer at the Share Offer Price to acquire all of the issued and to be issued shares in the share capital of Mirabell;
<b>“Share Offer Price”</b>	means the cash amount of HK\$6.00 payable by BGL to Mirabell Shareholders for each Offer Share accepted under the Share Offer;
<b>“Share Options”</b>	means the outstanding options granted pursuant to the Share Option Scheme and <b>“Share Option”</b> shall be construed accordingly;
<b>“Share Option Scheme”</b>	means the share option scheme adopted by Mirabell pursuant to a resolution passed by Mirabell Shareholders at an extraordinary general meeting on 29 December 2004, as amended from time to time;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“subsidiaries”</b>	has the meaning ascribed to it in the Listing Rules;
<b>“Takeovers Code”</b>	means the Code of Takeovers and Mergers and Share Repurchases published by the SFC;
<b>“Unconditional Date”</b>	means the date on which the Offers become or are declared unconditional in all respects;
<b>“US\$”</b>	means the lawful currency of United States of America; and
<b>“%”</b>	means per cent.

By order of the Board of  
Belle International Holdings Limited

Sheng Baijiao

Director

By order of the Board of  
Mirabell International Holdings Limited

Tang Wai Lam

Chairman

By order of the Board of

Belle Group Limited

Sheng Baijiao

Director

Hong Kong, 28 February 2008

*The directors of BGL jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Mirabell Group) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Mirabell Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*As at the date of this announcement, the board of directors of BGL comprises Mr Tang Yiu, Ms Tang Ming Wai and Mr Sheng Baijiao.*

*Belle Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Mirabell Group) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those relating to the Mirabell Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*As at the date of this announcement, the board of directors of Belle comprises Mr Tang Yiu, Mr Sheng Baijiao, Mr Yu Mingfang and Ms Tang Ming Wai as executive Directors, Mr Gao Yu and Ms Hu Xiaoling as non-executive Directors, and Mr Ho Kwok Wah, George, Mr Chan Yu Ling, Abraham and Dr Xue Qiuzhi as independent non-executive Directors.*

*Mirabell Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to Belle and its Concert Parties and the Offers) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than that relating to Belle and its Concert Parties and the Offers) have been arrived at after due and careful consideration and there are no other facts not*

*contained in this announcement, the omission of which would make any statements in this announcement misleading.*

*As at the date of this announcement, the board of directors of Mirabell comprises executive directors being Mr Tang Wai Lam, Mr Ng Man Kit, Lawrence, Mr Chung Chun Wah and Mr Leung Kelvin Yiu Fai, non-executive director being Mr Lee Kwan Hung, and independent non-executive directors being Mr Lee Kin Sang, Mr Chan Ka Sing, Tommy and Mr Ng Chun Chuen, David.*

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligations of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that cooperation.”*