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BELLE INTERNATIONAL HOLDINGS LIMITED

百麗國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1880)

DISPOSALS OF EXISTING SHARES BY THE CONTROLLING SHAREHOLDER AND THE FINANCIAL INVESTORS

The Board of the Company has been informed by Profit Discovery Limited (a member of the group of controlling shareholder of the Company), MS Shoe Limited, MS Shoe II Limited and CDH Retail Limited (the financial investors of the Company), that Profit Discovery and the Financial Investors have entered into selling arrangements in relation to their disposals of an aggregate of 710,755,000 Shares.

Pursuant to the Disposals, (i) a share placing agreement dated 17 April 2008 has been entered into by Profit Discovery and the Financial Investors with the Placing Agent, for the placing of an aggregate of 350,000,000 Shares; and (ii) sale and purchase agreements all dated 17 April 2008 have been entered into between Profit Discovery and the entities owned by the management staff of the Company for the sale of an aggregate of 360,755,000 Shares to the Purchasers. Morgan Stanley & Co. International plc is the coordinator of the Disposals.

The consideration for the Disposals is HK\$7.70 per Share (before deducting the commissions and fees paid or payable to the Placing Agent, transaction fees and levies and stamp duty payable in relation to the transaction of the Shares), representing a discount of approximately 6.10% to the closing price of HK\$8.20 per Share as quoted on the Stock Exchange on 17 April 2008 and a discount of approximately 2.65% to the average closing price of HK\$7.91 for the twenty trading days commencing 18 March 2008 and ending 17 April 2008 (both dates inclusive).

I. DISPOSALS OF EXISTING SHARES BY THE CONTROLLING SHAREHOLDER AND THE FINANCIAL INVESTORS

The board of directors (the “**Board**”) of Belle International Holdings Limited (the “**Company**”) has been informed by Profit Discovery Limited (“**Profit Discovery**”), MS Shoe Limited (“**MS Shoe I**”), MS Shoe II Limited (“**MS Shoe II**”) and CDH Retail Limited (“**CDH**”, and together with MS Shoe I and MS Shoe II, the “**Financial Investors**”), that Profit Discovery and the Financial Investors have entered into selling arrangements in relation to their disposals (the “**Disposals**”) of an aggregate of 710,755,000 ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”).

Pursuant to the Disposals, (i) a share placing agreement dated 17 April 2008 (the “**Placing Agreement**”) has been entered into by Profit Discovery and the Financial Investors with Morgan Stanley & Co. International plc (the “**Placing Agent**”), for the placing (the “**Placing**”) of an aggregate of 350,000,000 Shares (the “**Placing Shares**”); and (ii) sale and purchase agreements all dated 17 April 2008 (the “**Sale and Purchase Agreements**”) have been entered into between Profit Discovery and each of Best Castle Group Limited (“**Purchaser 1**”), Jolly Wing Holdings Limited (“**Purchaser 2**”), Gold Gain Group Limited (“**Purchaser 3**”) and Happy Rise Group Limited (“**Purchaser 4**”, and collectively with Purchaser 1, Purchaser 2 and Purchaser 3, the “**Purchasers**”), for the sale (the “**Sale**”) of an aggregate of 360,755,000 Shares (the “**Sale Shares**”) to the Purchasers. Morgan Stanley & Co. International plc is the coordinator of the Disposal.

The terms of the Disposals are summarised below.

PARTIES TO THE AGREEMENTS

Profit Discovery, MS Shoe I, MS Shoe II and CDH have entered into the Placing Agreement with the Placing Agent on 17 April 2008 for the placing and/or purchase by the Placing Agent of the Placing Shares. Profit Discovery, as the seller, has also entered into separate Sale and Purchase Agreement with each of the Purchasers as the purchaser, for the sale and purchase of the Sale Shares.

Profit Discovery, an investment holding company wholly-owned by Mr Tang Yiu, is a member of the group of controlling shareholder of the Company, and is holding 673,924,000 Shares as at the date of this announcement. Mr Tang Yiu, an executive director and the chairman of the Company, through his interests in Profit Discovery, Profit Leader Holdings Limited and High Summit Group Limited, is able to control the voting rights attaching to 3,877,049,000 Shares, and is therefore a controlling shareholder (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) of the Company.

Each of MS Shoe I, MS Shoe II and CDH is a financial investor of the Company. As at the date of this announcement, each of MS Shoe I, MS Shoe II and CDH is holding 298,011,000 Shares, 17,452,000 Shares, and 330,875,000 Shares, respectively.

NUMBER OF PLACING SHARES AND SALE SHARES

The respective number of Placing Shares and Sale Shares to be disposed of by Profit Discovery and each of the Financial Investors and to be purchased by the Purchasers is set out below:

	Placing Shares	Sale Shares	Total Placing Shares/ Sale Shares for each seller
Profit Discovery Limited	130,000,000	(i) Purchaser 1 (25,000,000 Shares) (ii) Purchaser 2 (154,859,000 Shares) (iii) Purchaser 3 (94,200,000 Shares) (iv) Purchaser 4 (86,696,000 Shares)	490,755,000
MS Shoe Limited	113,335,852	—	113,335,852
MS Shoe II Limited	6,664,148	—	6,664,148
CDH Retail Limited	100,000,000	—	100,000,000
<i>Total</i>	<u>350,000,000</u>	<u>360,755,000</u>	<u>710,755,000</u>

PLACING PRICE AND SALE PRICE

HK\$7.70 per Placing Share (before deducting the commissions and fees paid or payable to the Placing Agent, transaction fees and levies and stamp duty payable in relation to the transaction of the Shares), representing a discount of approximately 6.10% to the closing price of HK\$8.20 per Share as quoted on the Stock Exchange on 17 April 2008 and a discount of approximately 2.65% to the average closing price of HK\$7.91 for the twenty trading days commencing 18 March 2008 and ending 17 April 2008 (both dates inclusive).

The consideration for the sale of the Sale Shares is identical to the placing price of the Placing Shares (i.e. HK\$7.70 per Sale Share). The consideration will be paid by the Purchasers to Profit Discovery on the date of completion of the Sale or by instalment(s) on such other date(s) and in such manner as may be agreed by the parties to the Sale and Purchase Agreements.

PLACEES AND THE PURCHASERS

The Placing Agent has undertaken to each of the Profit Discovery and Financial Investors that it will, as far as it is aware, use its best endeavours to place the Placing Shares to third parties who are (i) independent of and not acting in concert with any of Profit Discovery and the Financial Investors and (ii) independent of and not connected with the directors, chief executive, substantial shareholders of the Company or of any of its subsidiaries or any associates (as defined in the Listing Rules) of any of them.

Each of the Purchasers is a limited liability company incorporated in the British Virgin Islands. Purchaser 1 is wholly-owned by Mr Sheng Baijiao, an executive director and the chief executive officer of the Company. Each of Purchaser 2, Purchaser 3 and Purchaser 4 is owned by and controlled by the management staff of the Company who are not connected persons (as defined under the Listing Rules) of the Company.

CONDITIONS OF THE PLACING AND THE SALE

The Placing is conditional upon, inter alia, there not having occurred prior to completion of the Placing any material breach of, or any event rendering untrue or incorrect in a material manner, any of the representations, warranties, undertakings or other provisions of the Placing Agreement with respect to Profit Discovery and the Financial Investors and no occurrence of an event of force majeure. The Sale is conditional upon, inter alia, the completion of the Placing.

COMPLETION OF THE DISPOSALS

Completion of the Placing is expected to take place on or before 10:00 a.m. on 18 April 2008 or such other time or date as the Placing Agent may notify each of Profit Discovery and the Financial Investors.

Completion of the Sale is expected to take place on the fifth business day following the completion of the Placing or such other time or date as may be agreed between Profit Discovery and the Purchasers.

LOCK-UP

Pursuant to the Placing Agreement:

- (a) Each of the Financial Investors has agreed that each of the Financial Investors shall not, and shall procure that their respective nominees, the companies controlled by each of the Financial Investors or trusts associated with each of the Financial Investors (whether, individually or together and whether directly or indirectly) will not, from the date of the Placing Agreement until the expiry of 90 days from such date, dispose of any Shares held by them as at the date of Completion of the Placing by way of (i) offer, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests therein or any securities convertible into or exercisable or exchangeable for any such Shares or interests; (ii) enter into any swap or similar agreement that transfers to another, in whole or in part, the economic risk of ownership of any Shares; or (iii) announce any intention of the above.
- (b) Profit Discovery has agreed that Profit Discovery and Mr Tang Yiu (being the sole shareholder of Profit Discovery) shall not, and shall procure that their nominees (not including the Company) and each of Profit Leader Holdings Limited, High Summit Group Limited, Merry Century Investments Limited and Merrylink Resources Limited (whether individually or together and whether directly or indirectly) will not, from the date of the Placing Agreement until the expiry of 90 days from such date, dispose of any Shares held by them as at the date of Completion of the Placing by way of (i) offer, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any

interests therein or any securities convertible into or exercisable or exchangeable for any such Shares or interests; (ii) enter into any swap or similar agreement that transfers to another, in whole or in part, the economic risk of ownership of any Shares; or (iii) announce any intention of the above.

Pursuant to the respective Sale and Purchase Agreement, the Purchasers have undertaken to Profit Discovery that it shall not, from the date of the respective Sale and Purchase Agreement until the expiry of 90 days from such date, dispose of any Shares held by them as at the date of Completion of the Sale by way of (i) offer, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend any Shares; (ii) enter into any swap or similar agreement that transfers to another, in whole or in part, the economic risk of ownership of any Shares; or (iii) announce any intention of the above.

II. EFFECT OF THE SHAREHOLDING FOLLOWING COMPLETION OF THE DISPOSALS

The change in shareholding structure of the Company pursuant to the Placing and the Sale is set out below:

	As at the date of this announcement		Upon Completion of the Placing and the Sale	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Profit Leader Holdings Limited (Note 1)	2,865,625,000	33.95%	2,865,625,000	33.95%
High Summit Group Limited (Note 1)	337,500,000	4.00%	337,500,000	4.00%
Profit Discovery Limited (Note 1)	673,924,000	7.98%	183,169,000	2.17%
Handy Limited (Note 2)	694,675,000	8.23%	694,675,000	8.23%
Mr Sheng Baijiao/ Best Castle Group Limited (Purchaser 1) (Note 2)	75,000,000	0.89%	100,000,000	1.18%
<i>Public shareholders</i>				
Essen Worldwide Limited (Note 3)	689,700,000	8.17%	689,700,000	8.17%
MS Shoe Limited	298,011,000	3.53%	184,675,148	2.19%
MS Shoe II Limited	17,452,000	0.21%	10,787,852	0.13%
CDH Retail Limited	330,875,000	3.92%	230,875,000	2.74%
Jolly Wing Holdings Limited (Purchaser 2)	—	—	154,859,000	1.83%
Gold Gain Group Limited (Purchaser 3)	—	—	94,200,000	1.12%
Happy Rise Group Limited (Purchaser 4)	—	—	86,696,000	1.02%
Other public shareholders	<u>2,458,571,000</u>	<u>29.12%</u>	<u>2,808,571,000</u>	<u>33.27%</u>
<i>Total</i>	<u>8,441,333,000</u>	<u>100%</u>	<u>8,441,333,000</u>	<u>100%</u>

Notes:

- (1) Profit Leader Holdings Limited, a limited liability company incorporated in the British Virgin Islands, is controlled collectively by Mr Tang Yiu and Ms Tang Wing Sze, daughter of Mr Tang Yiu. Each of High Summit Group Limited and Profit Discovery is a limited liability company incorporated in the British Virgin Islands and is wholly-owned by Mr Tang Yiu.
- (2) Handy Limited, a limited liability company incorporated in the British Virgin Islands, is controlled by Mr Sheng Baijiao, an executive director and the chief executive of the Company. Purchaser 1 is a limited liability company incorporated in the British Virgin Islands and is wholly-owned by Mr Sheng Baijiao. As at the date of this announcement, Mr Sheng Baijiao is beneficially interested in 75,000,000 Shares, which will be transferred to Purchaser 1 on or before the completion of the Sale.
- (3) Essen Worldwide Limited, a limited liability company incorporated in the British Virgin Islands, is controlled by the management staff of the Company.

By order of the Board
Belle International Holdings Limited
Sheng Baijiao
Director

Hong Kong, 17 April 2008

Our directors are 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.