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MOULIN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Bermuda with limited liability)

DISCLOSURE PURSUANT TO PRACTICE NOTE 19

This announcement is made in compliance with the disclosure requirements under paragraph 3.7.1 of Practice Note 19 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Borrowers and the Guarantors have entered into a facility agreement on October 25, 2002 with the Co-ordinating Arrangers, the Arrangers, the Lead Managers, the Lenders and the Agent in respect of the Facility, which contains an undertaking from the Company that Mr. Ma Bo Kee, his family members, close relatives, related trusts and companies controlled by him, his family members, close relatives or related trusts shall at all times be the beneficial owners of in aggregate more than 35 per cent. of the issued voting share capital of the Company. Non-compliance with the aforesaid undertaking would constitute an event of default under the Facility Agreement.

The directors of Moulin International Holdings Limited (the “**Company**”) announce that a facility agreement has been entered into on October 25, 2002 (the “**Facility Agreement**”) between Moulin Optical Manufactory Limited and Allied Industrial Limited (both being wholly-owned subsidiaries of the Company) as borrowers (the “**Borrowers**”), the Company, Leadkeen Industrial Limited and Moulin European Holdings Limited (both being wholly-owned subsidiaries of the Company) as guarantors (the “**Guarantors**”), BNP Paribas Hong Kong Branch and Standard Chartered Bank as co-ordinating arrangers (the “**Co-ordinating Arrangers**”), Bank of China (Hong Kong) Limited, China Construction Bank, Hong Kong Branch and Oversea-Chinese Banking Corporation Limited as arrangers (the “**Arrangers**”), Hang Seng Bank Limited, IntesaBci S.p.A., Hong Kong Branch, United Overseas Bank Limited, Asia Commercial Bank Limited, Banca Nazionale del Lavoro S.p.A., Hong Kong Branch, The Bank of Nova Scotia and Credit Agricole Indosuez as lead managers (the “**Lead Managers**”), a group of banks and financial institutions acting as lenders (the “**Lenders**”) and BNP Paribas Hong Kong Branch as agent (the “**Agent**”). Pursuant to Facility Agreement, the Lenders have agreed to make available to the Borrowers a term loan facility of HK\$220,000,000 and a revolving facility of HK\$220,000,000 (together, the “**Facility**”) upon the terms set out in the Facility Agreement.

The purpose of the Facility is to refinance existing loan facilities granted to Moulin Optical Manufactory Limited pursuant to a facility agreement dated February 22, 2001, to partially redeem certain of the convertible notes (after which US\$2,000,000 (equivalent to approximately HK\$15,600,000, based on an exchange rate of US\$1 to HK\$7.8) convertible notes will remain outstanding) issued by the Company pursuant to a subscription agreement dated August 13, 1999 (as amended by a supplemental agreement dated February 5, 2001) and to finance the working capital requirements of the Company and its subsidiaries. The final repayment date of the Facility under the Facility Agreement will be a date falling 42 months after the date of the Facility Agreement.

The Facility Agreement contains an undertaking given by the Company that Mr. Ma Bo Kee, his family members, close relatives, related trusts and companies controlled by him, his family members, close relatives or related trusts shall at all times be the beneficial owners of in aggregate more than 35 per cent. of the issued voting share capital of the Company. Non-compliance with this undertaking would constitute an event of default under the Facility Agreement. Upon the occurrence of an event of default under the Facility Agreement, the Agent may, inter alia, upon instructions from the majority Lenders declare that all or part of the loans outstanding under the Facility, together with interest accrued thereon, be immediately due and payable.

As at October 25, 2002, Mr. Ma Bo Kee, his family members, close relatives, related trusts and companies controlled by him, his family members, close relatives or related trusts are interested in approximately 41.3% of the issued share capital of the Company.

By Order of the Board
Ma Bo Kee
Chairman

Hong Kong, October 25, 2002

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