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MOULIN INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

CLARIFICATION ANNOUNCEMENT

This announcement is made in response to articles as appeared in a number of newspapers recently regarding an alleged tentative disposition of the manufacturing business of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

The board of directors of the Company (the “Board”) makes this clarification announcement in response to various articles as appeared in the newspapers, including Ming Pao, Hong Kong Economic Times, Hong Kong Economic Journal, Oriental Daily News, The Sun and Sing Pao Daily News, on 28 November, 2003 regarding an alleged tentative disposition of the manufacturing business of the Company and its subsidiaries (the “Group”).

The Board would like to clarify that it has no intention of disposing the entire manufacturing business of the Group. The Group does have a tentative plan for the gradual disposition of the ODM/OEM manufacturing business of the Group. Such plan would be consistent with the long-term strategy of the Group of developing and expanding its integrated line of manufacturing distribution business since 1995. The Group’s ODM/OEM manufacturing business, as opposed to its entire manufacturing business, has been, and continues to be, scaled down in the past years. The Board does not consider the scaling down of the Group’s ODM/ OEM manufacturing business to be a sudden change of business nature of the Group. The 2002 annual report of the Group contains statements to the effect that the Group has undergone operational restructuring whereby the Group has succeeded in finalizing the integration of manufacturing and distribution resources, and its interim report of September 2002 also contains statements to the effect that the Group’s distribution business remains the key revenue driver of the Group and that the Group’s fully integrated manufacturing-distribution model will provide a more stable growth environment compared to the traditional ODM/OEM business. However, the Company currently has no concrete plans of implementing any tentative disposition of the Group’s ODM/OEM manufacturing business, and the Company has not been engaged in the course of any negotiation or discussion regarding the same.

In accordance with paragraph 2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Board also wishes to advise that the Company is currently in discussions with companies in its industry to explore possible mergers, acquisitions and business combinations for the purpose of expanding the distribution business of the Group. However, as at the date hereof, no legally binding agreement has been reached in relation to such discussions. In the event that any of the above discussions materialize into a transaction, the Company undertakes to comply with the relevant provisions of the Listing Rules and make further announcements as and when appropriate. As the transactions described above may or may not proceed, shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Save as disclosed above, there is no further information considered by the Board to be necessarily brought to the attention of The Stock Exchange of Hong Kong Limited under the requirement of paragraph 2 of the Listing Agreement.

The principal activities of the Group comprise the design, manufacture, distribution and retail of optical products.

By Order of the Board
Moulin International Holdings Limited
Ma Bo Kee
Chairman

Hong Kong, 28 November, 2003

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