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MOULIN INTERNATIONAL HOLDINGS LIMITED

泰興光學集團有限公司

(Stock Code: 389)

(incorporated in Bermuda with limited liability)

Update on proposed bid to acquire Cole National Corporation in a merger

In accordance with Rule 13.09 of the Listing Rules, the board of directors of the Company announces that on July 12, 2004 (U.S. time), the Company submitted the Revised Proposal.

The Company will make such further announcements on the status of any discussions or negotiations with CNC as and when appropriate and will comply with applicable disclosure and approval requirements under the Listing Rules in the event any such discussions or negotiations materialize into a transaction.

As the Offer 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.

This announcement is made further to the announcement of Moulin International Holdings Limited (the “**Company**”) on April 20, 2004 (the “**April Announcement**”) and May 13, 2004 (the “**May Announcement**”), in relation to the Company’s unsolicited non-binding offer to acquire Cole National Corporation, a New York Stock Exchange-listed company, trading under the ticker symbol “CNJ” (“**CNC**”), in a merger. Unless otherwise defined herein, terms defined in the April Announcement shall have the same meanings when used herein.

Pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), the board of directors of the Company announces that on July 12, 2004 (U.S. time), the Company submitted a revised proposal to acquire CNC in a merger at a price of US\$25.00 (equivalent to HK\$195.00, based on an exchange rate of US\$1.00: HK\$7.80) per share in cash (the “**Revised Proposal**”), which is the same offer price per share as that announced by the Company in the April Announcement. CNC issued a press release on July 13, 2004 (U.S. time) to announce its receipt of the Revised Proposal (the “**CNC Announcement**”).

The Revised Proposal is subject to the termination of the merger agreement entered into between CNC and Luxottica Group S.p.A. (“Luxottica”), the execution of definitive agreements between CNC and the Company, approval by CNC’s and the Company’s stockholders, receipt of regulatory approvals and other customary conditions. The Revised Proposal contemplates that HAL Holding, N.V., which, according to the CNC Announcement, owns approximately 19.1% of CNC’s outstanding shares, will provide substantial financing for the transaction, including by purchasing certain assets of CNC at the closing of the proposed merger. The Company also delivered written financial commitments from other financing sources for additional financing required for the transaction, which are subject to customary conditions. The financing commitments are not subject to further due diligence.

The CNC Announcement states that, as previously announced, in January 2004, CNC entered into a merger agreement with Luxottica pursuant to which Luxottica would acquire CNC in a merger at a price of US\$22.50 per share in cash. On April 15, 2004, the Company submitted an unsolicited offer to acquire CNC in a merger at a price of US\$25.00 per share in cash, which, according to the CNC Announcement, was several days before CNC’s previously scheduled special meeting of stockholders to consider the Luxottica merger. As announced in the May Announcement, the Company had informed CNC on May 12, 2004 that one of the Company’s financing sources was not prepared to provide senior debt financing on the terms originally proposed, and that the Company was continuing to evaluate alternatives which could allow the Company’s proposal to proceed.

According to the CNC Announcement, on June 1, 2004, the Luxottica merger agreement was amended to provide for the payment of an additional amount equal to 4% per annum from July 20, 2004 through the closing date if the Luxottica merger agreement was approved by CNC stockholders not later than July 20, 2004. The CNC Announcement also states that CNC has rescheduled its stockholders meeting to consider the Luxottica merger agreement on July 20, 2004. According to the CNC Announcement, the Luxottica merger agreement is subject to approval by CNC stockholders, receipt of regulatory approvals and other customary conditions. According to the CNC Announcement, CNC stated that its board of directors has not withdrawn, modified or changed its recommendation of the Luxottica merger, and CNC’s merger agreement with Luxottica remains in effect.

The CNC Announcement states that the board of directors of CNC will review the Revised Proposal and make a determination whether it is a superior acquisition proposal in accordance with the board’s fiduciary duties and the terms of the Luxottica merger agreement. The CNC Announcement also states that if the board were to make such determination, the Luxottica merger agreement requires CNC to provide notice to Luxottica and take into account any revised proposal made by Luxottica within three business days thereafter prior to terminating the Luxottica merger agreement. The CNC Announcement further states that there is no assurance as to whether any agreement with the Company or any revised agreement with Luxottica will result, or the terms and conditions thereof.

The CNC Announcement states that CNC will consider the effect of the Revised Proposal on the timing of CNC’s stockholders’ vote on the Luxottica merger agreement scheduled for July 20, 2004, and may adjourn its annual meeting after the election of directors and before the vote on the Luxottica merger agreement. The CNC Announcement states that such an adjournment would cause the merger consideration under the current Luxottica merger agreement to revert to the original US\$22.50 per share in cash, without the additional amount equal to 4% per annum that would have been payable from July 20, 2004 to the closing date if the Luxottica merger agreement were approved at CNC’s annual meeting.

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This announcement is not intended to be distributed in the United States and is not intended to be a “solicitation of proxies” within the meaning of the United States laws and regulations relating to proxies.

As at the date of this announcement, the board of directors of the Company comprises (1) Mr. Ma Bo Kee, Mr. Ma Bo Fung, Mr. Ma Bo Lung, Mr. Ma Lit Kin, Cary, Mr. Ma Hon Kin, Dennis, Mr. Tong Ka Wai Dicky and Mr. Joseph A. Barrett as executive directors; (2) Ms. Lee Sin Mei, Olivia as non-executive director; and (3) Mr. Ng Tai Chiu, David and Mr. Chan Wing Wah, Ivan as independent non-executive directors.

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

Hong Kong, July 13, 2004

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