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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)

website: <http://www.moulin.com.hk>

<http://www.etnet.com.hk>

**VERY SUBSTANTIAL ACQUISITION — PROPOSED ACQUISITION
OF 56 PER CENT. OF
ECCA TO BE EFFECTED BY WAY OF THE MERGER OF A SUBSIDIARY OF
MOULIN INTERNATIONAL HOLDINGS LIMITED WITH AND INTO
ECCA AND RESUMPTION OF TRADING**

On December 2, 2004, Merger Holdco (an indirect wholly-owned subsidiary of the Company), Merger Sub (a company wholly-owned by Merger Holdco), Thomas H. Lee Equity Fund IV, L.P. (solely in its capacity as representative of ECCA's shareholders) and ECCA entered into the Agreement for the acquisition of ECCA, to be effected by way of the merger of Merger Sub with and into ECCA. Following the completion of the Merger, ECCA will become an approximately 56 per cent. subsidiary of the Company. The consideration for the Merger is expected to be funded by shareholders equity of Merger Holdco (including the internal resources of the Group contributed as equity to Merger Holdco), the issue of debt securities and/or bank borrowings.

The Agreement and the related transactions set out in this announcement constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and are therefore subject to Shareholders' approval pursuant to Rule 14.49 of the Listing Rules. A circular containing, inter alia, further information on the Agreement and the related transactions and a notice of the SGM will be despatched to the Shareholders in accordance with the applicable requirements of the Listing Rules.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on December 3, 2004 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on December 7, 2004.

THE AGREEMENT DATED DECEMBER 2, 2004

Parties

(i) ECCA

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, ECCA, ECCA's shareholders, ECCA's optionholders and their respective ultimate beneficial owners are third parties independent of the Company and any connected person of the Company.

(ii) Thomas H. Lee Equity Fund IV, L.P. (solely in its capacity as representative of ECCA's shareholders)

(iii) Merger Sub

(iv) Merger Holdco

The acquisition

The acquisition of ECCA will be effected by way of the merger of Merger Sub with and into ECCA.

The Merger

Pursuant to the Agreement, at the Effective Time, Merger Sub will be merged with and into ECCA. Following the Effective Time, the separate corporate existence of Merger Sub will cease, and ECCA will continue as the Surviving Corporation and will succeed to and assume all the rights and obligations of Merger Sub.

As of the Effective Time:

- (i) each issued and outstanding share of common stock of Merger Sub will be converted into and become one validly issued and fully paid share of common stock, with a par value of US\$0.01 per share, of the Surviving Corporation;
- (ii) all shares of common stock (apart from the Rollover ECCA Shares held by certain members of ECCA's management who will hold shares in Merger Holdco after the Merger), with a par value of US\$0.01 per share, of ECCA will be cancelled; and
- (iii) all shares of preferred stock, with a par value of US\$0.01 per share, of ECCA will be cancelled.

Immediately prior to the Effective Time, each Rollover ECCA Share will be transferred to Merger Holdco in exchange for shares in Merger Holdco. Each Rollover ECCA Option will be exchanged for shares or options for shares in Merger Holdco.

At or prior to the Effective Time, all outstanding options and warrants issued by the ECCA Group convertible into or exchangeable or exercisable for shares in any member of the ECCA Group (other than the Rollover ECCA Options), whether vested or unvested, will be terminated.

After the Merger, the Surviving Corporation will be wholly owned by Merger Holdco.

The directors and officers of Merger Sub immediately prior to the Effective Time will be the directors and officers, respectively, of the Surviving Corporation. It is the Company's expectation that the key members of ECCA's management will remain intact to manage the Surviving Corporation.

Consideration

The total consideration is equal to US\$450 million (HK\$3,510 million), plus (a) the amount outstanding under certain promissory note issued by an individual in favour of ECCA that will be repaid at Closing, less (b) the sum of (i) the outstanding net debt of the ECCA Group immediately prior to the Effective Time, (ii) the expenses incurred by the ECCA Group in connection with the transactions contemplated by the Agreement, (iii) the management bonuses to be paid by the Surviving Corporation to its employees concurrently with Closing and (iv) any amount in excess of US\$750,000 (HK\$5.85 million) for obtaining and maintaining for six years after the Effective Time directors' and officers' liability insurance covering acts or omissions occurring prior to the Effective Time.

The consideration will be subject to adjustment at and after Closing, depending on (a) whether the final net working capital will be less than or greater than the target net working capital by over US\$1 million (HK\$7.8 million), (b) the differences between the estimated and actual amounts of items (a) and (b)(i) to (iv) set out in the preceding paragraph, and (c) whether any tax refund will be received by the Surviving Corporation (any adjustment relating to tax refund will not exceed US\$5.9 million (HK\$46.0 million)).

Any shareholder of ECCA who is entitled to dissent from and who did not vote in favour of the Merger pursuant to and in accordance with Texas law will not receive the consideration under the Agreement, but will receive payment of the fair cash value of such shares in accordance with Texas law. Under the Agreement, the Surviving Corporation will be indemnified by the ECCA shareholders on a dollar-for-dollar basis for any payment made by the Surviving Corporation to a holder of dissent shares in excess of the portion of the consideration such holder would have received if the above rights to receive fair cash value are not exercised. The dissenting shareholders of ECCA cannot prohibit the Merger from being consummated if the majority of the shareholders of ECCA approves the Merger.

The consideration is payable by Merger Holdco in cash to holders of vested ECCA options (other than the Rollover ECCA Options) upon the Effective Time, and to holders of ECCA shares at or as soon as practicable after the Effective Time upon surrender of their share certificates. The consideration is currently expected to be funded as to approximately 36 per cent. by shareholders equity of Merger Holdco (including a contribution from the internal resources of the Group and which may be decreased to the extent any ECCA Rollover Shares are converted into shares of Merger Holdco), and as to approximately 64 per cent. by the issue of debt securities and/or bank borrowings. J.P. Morgan Securities Inc. and JPMorgan Chase Bank, N.A. have committed to Merger Holdco and Merger Sub to arrange funding for up to US\$340 million (HK\$2,652 million) to finance the Merger and provide for ongoing working capital needs.

The consideration was determined based on the expected earnings and future growth potential of the ECCA Group. The consideration for the Merger was arrived at after arm's length negotiations between all parties to the Agreement. The Directors consider that the consideration for the Merger is fair and reasonable.

Conditions precedent

Under the Agreement, each party's obligation to effect the Merger is subject to the satisfaction or waiver of the following conditions:

- (i) the waiting period, filings or approvals applicable to the Merger under relevant antitrust laws shall have expired, been terminated, been made or been obtained;
- (ii) no Restraint shall be in effect preventing or restraining the consummation of the Merger and no governmental authority shall have threatened ECCA, Merger Holdco or Merger Sub with any such Restraint; and
- (iii) Merger Holdco and Merger Sub shall have received proceeds of the equity contributions by the Company and the GGC Entities, the debt securities issue and/or bank borrowings contemplated to be made by the Group to fund the consideration for the Merger.

The obligations of Merger Holdco and Merger Sub to effect the Merger are further subject to the satisfaction or waiver of, inter alia, the following conditions:

- (i) certain representations and warranties of ECCA shall be true and correct in all material respects, and the cumulative effect of all breaches and inaccuracies of all other representations and warranties has not and would not be reasonably likely to have a material adverse effect on ECCA;
- (ii) the Company shall have obtained shareholder approval for the Agreement and the transactions contemplated under the Agreement as required by the Listing Rules;
- (iii) all agreements between the ECCA Group and any director, officer or shareholder of ECCA shall have been terminated; and
- (iv) ECCA shall have obtained shareholder approval for the Agreement and the Merger.

The obligation of ECCA to effect the Merger is further subject to the satisfaction or waiver of, inter alia, the following condition, i.e., the representations and warranties of Merger Holdco and Merger Sub shall be true and correct in all material respects, provided that this condition shall be deemed satisfied if the cumulative effect of all inaccuracies of the representations and warranties would not be reasonably likely to have a material adverse effect on Merger Holdco.

Closing

Closing shall take place on a date to be specified by the parties, which shall be no later than the second Business Day after satisfaction or waiver of the conditions for the Merger (other than those conditions that by their terms are to be satisfied at Closing, but subject to the satisfaction or waiver of those conditions), unless another date is agreed to in writing by the parties to the Agreement.

Closing is expected to take place in the first quarter of 2005. After the completion of the Merger, ECCA is expected to become an approximately 56 per cent. subsidiary of the Company and a member of the Group.

Termination

The Agreement may be terminated at any time prior to the Effective Time:

- (i) by mutual written consent of Merger Holdco and Merger Sub on the one hand and ECCA on the other hand;
- (ii) by either Merger Holdco or ECCA if (a) the Merger shall not have been consummated on or before February 28, 2005 or (b) any Restraint preventing or restraining the consummation of the Merger shall be in effect and shall have become final and non-appealable;
- (iii) by Merger Holdco if ECCA shall have materially breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the Agreement, which breach or failure to perform is not cured within 30 days following receipt of written notice from Merger Holdco; or
- (iv) by ECCA if Merger Holdco shall have materially breached or failed to perform any of its representations, warranties, covenants or agreements set forth in the Agreement, which breach or failure to perform is not cured within 30 days following receipt of written notice from ECCA.

Supply Agreement

Merger Sub and the Company have entered into the Supply Agreement, pursuant to which the Company will supply Merger Sub (which will merge with and into ECCA at the Effective Time) with sunglasses, ophthalmic frames, reading glasses and other eyewear products and accessories for a term of seven years. The Supply Agreement is not a connected transaction of the Company under the Listing Rules.

INFORMATION ON MERGER HOLDCO AND THE GGC ENTITIES

Shareholding structure of Merger Holdco

As at the date of this announcement, Merger Holdco is wholly owned by Cayman Holdco which is in turn wholly owned by BVI Holdco. BVI Holdco is indirectly wholly owned by the Company through two intermediate holding companies. All of Merger Sub, Merger Holdco, Cayman Holdco and BVI Holdco were established by the Company specifically for the proposed Merger.

The GGC Entities will acquire approximately 43 per cent. of ECCA by way of equity contribution to Merger Holdco. Both the Company and the GGC Entities have committed to contribute equity to Merger Holdco in proportion to shareholding for paying the consideration of the Merger. BVI Holdco and the GGC Entities currently intend to fund their respective commitments through an investment in Cayman Holdco. However, either party may make the Merger Holdco Election to satisfy its commitment directly into Merger Holdco, and if such an election is made, both parties will be bound to contribute equity to Merger Holdco. The Merger Holdco Election may be made by either party for tax or any other reason.

Merger Holdco, Cayman Holdco, BVI Holdco, the GGC Entities and the Company have entered into the Shareholders' Agreement to, inter alia, regulate the shareholder relationship in and provide for the management of Joint Venture Co. Members of ECCA management who will hold Rollover ECCA Shares and therefore be issued shares of Joint Venture Co at Closing will be added as parties to the Shareholders' Agreement upon the issuance of shares in Joint Venture Co to them.

After the completion of the Merger, Joint Venture Co is expected to be owned as to approximately 56 per cent. by the Company (indirectly through BVI Holdco), 43 per cent. by the GGC Entities and 1 per cent. by the members of ECCA management holding Rollover ECCA Shares. The exact number of Rollover ECCA Shares and the terms of their exchange into Joint Venture Co shares have not yet been agreed. Please refer to the section headed “General” for the expected shareholding structure of ECCA after the Merger.

GGC is a San Francisco-based private equity investment firm with approximately US\$2.5 billion of capital under management. GGC is dedicated to partnering with world class management teams to invest in change-intensive, growth businesses. They target investments of up to US\$100 million in situations where there is a demonstrable opportunity to significantly enhance a company’s value. The principals of GGC have a long and successful history of investing with management partners across a wide range of industries and transaction types, including leveraged buyouts, recapitalizations, corporate divestitures and spin-offs, build-ups and venture stage investing.

Upon Closing, a member of senior management who is neither a director nor a connected person of the Company with a key role in planning the Company’s acquisition strategy and in negotiating and structuring the proposed Merger will either be granted an option, exercisable at any time during employment and for 18 months after termination of employment, to subscribe for up to three per cent. of the common shares of Joint Venture Co at a 90 per cent. discount to fair market value as at Closing or, at the executive’s option, be issued up to three per cent. of restricted stock of Joint Venture Co at a 90 per cent. discount to fair market value as at Closing. Upon (i) the expiry of the option, (ii) the option holder notifying the Company that the option will not be exercised, or (iii) the transfer by the option holder of the option to a third party (whichever is the earliest), the Company will make an announcement in accordance with the requirements of the Listing Rules.

Shareholders’ Agreement

The Shareholders’ Agreement contains certain provisions for the protection of the GGC Entities as minority shareholders, including:

- (i) restrictions on transfers of shares to non-affiliates;
- (ii) if BVI Holdco proposes to transfer its shares after the sixth anniversary of the Effective Time, the GGC Entities will have the right (the “Tag-Along Right”) to participate in the proposed transfer on the same terms and conditions;
- (iii) the right of the GGC Entities to designate two directors to a five-member board (the other three directors are to be designated by BVI Holdco, one of which shall be David McComas for so long as he is chief executive officer of ECCA), which will be increased to seven members upon the occurrence of certain events, including (a) a breach by Joint Venture Co for two consecutive calendar quarters of any financial covenant in the Senior Credit Agreement (if such breaches are not waived), (b) a payment default by Joint Venture Co under the Senior Credit Agreement, (c) the exercise by the GGC Entities of the Sale Right (as defined below) and (d) a Supply Agreement Breach, in which case the GGC Entities will be entitled to designate two additional board members;
- (iv) the quorum of the board consisting of a majority of directors, including, inter alia, at least two directors designated by the GGC Entities; and
- (v) the requirement for certain important decisions (the “Super Majority Decisions”) to be made by at least, inter alia, two directors designated by the GGC Entities.

Under the Shareholders' Agreement:

- (a) if the GGC Entities shall after the fifth anniversary of the Effective Time desire to transfer all of their shares to persons not related to them, the GGC Entities will have the right to offer to BVI Holdco and Joint Venture Co the right (the "First Offer Right") to purchase such shares for a cash payment equal to the greater of : (i) the aggregate amount that all the GGC Entities would receive in exchange for their shares if an amount equal to the fair market value of Joint Venture Co on a going concern basis were distributed in liquidation and (ii) an amount equal to the sum of the GGC Entities' initial investment amount plus a compounded annual return of 20 per cent. Upon (i) the expiry of such First Offer Right, (ii) BVI Holdco and Joint Venture Co notifying the GGC Entities that the First Offer Right will not be exercised, or (iii) the transfer by BVI Holdco and Joint Venture Co of the First Offer Right to a third party (whichever is the earliest), the Company will make an announcement in accordance with the requirements of the Listing Rules; and
- (b) if (i) the First Offer Right is not exercised, (ii) certain breaches of the Shareholders' Agreement have occurred and remain uncured for 30 days, or (iii) the Company or its subsidiaries breach certain representations or any obligations in the Put Agreement (as defined below) which remains uncured for 30 days after receiving a second notice, the GGC Entities shall have a right (the "Sale Right") to cause the shareholders to sell all the shares of Joint Venture Co.

Put agreement

The Company, certain subsidiaries of the Company and the GGC Entities have entered into a put agreement (the "Put Agreement"), whereby the GGC Entities shall have the right at any time after the fourth anniversary of the Effective Time to require the Company and certain subsidiaries to use reasonable best efforts to purchase all of their shares in Joint Venture Co, at a price equal to the original issuance price of those shares plus interest at 20 per cent. per annum from the date of Closing (compounding on an annual basis), less distributions received by the GGC Entities from Joint Venture Co. If the Company and the subsidiaries do not purchase such shares, the GGC Entities shall be entitled to exercise the Sale Right in accordance with the Shareholders' Agreement.

Upon (i) the expiry of the option, (ii) the GGC Entities notifying the Company that the option will not be exercised, or (iii) the transfer by the GGC Entities of the option to a third party (whichever is the earliest), the Company will make an announcement in accordance with the requirements of the Listing Rules.

If after the fourth anniversary of the Effective Time, the GGC Entities have sold their shares for less than the price they originally paid for them, then the Company and certain subsidiaries will be obliged to pay the GGC Entities the difference between the price they received and the price they originally paid.

Advisory agreements

Merger Holdco and Merger Sub have entered into an advisory agreement with each of GGC Administration, LLC and the Company for an initial term of ten years from the date of Closing and which may be extended on a year to year basis thereafter. Under the advisory agreements, GGC Administration, LLC and the Company, each for a yearly fee of US\$1 million, will perform such services for the Surviving Corporation and/or its subsidiaries as agreed with Merger Holdco, which may include, without limitation, general executive and management services, services relating to acquisitions, dispositions, financing alternatives, finance functions, marketing functions and human resources functions. The yearly fee of US\$1 million was arrived at after arm's length negotiations between the parties.

INFORMATION ON THE ECCA GROUP

Shareholding

As at the date of this announcement, Thomas H. Lee Equity Fund IV, L.P. and certain of its affiliates and co-investors own over 80 per cent. of ECCA. The other shareholders of ECCA include certain members of ECCA's management.

Principal business activities

ECCA is the second largest optical retail chain as measured by net revenues and the largest company focused solely on the optical retail sector in the US. ECCA operates 378 stores in 33 states in the US, including 314 directly-owned optical stores and 64 stores owned by an optometrist's professional entity and managed by ECCA under management agreements.

ECCA currently maintains approximately 2.5 per cent. market share in the overall US optical retail market, and approximately 6.3 per cent. of the US retail chain market. ECCA has achieved the first or second share position in all of its top ten markets in the US, under the key banners of EyeMasters and Binyon's (178 shops), Visionworks (53 shops), Dr. Bizer's VisionWorld (25 shops), Hour Eyes (22 shops), VisionWorld (36 shops), Doctor's VisionWorks (34 shops), Stein Optical Express (15 shops) and Eye Dr. Rx (15 shops).

Founded in 1984, ECCA is headquartered in San Antonio, Texas, USA. ECCA's key regions are the US Southwest, Midwest, Southeast, Central and Pacific Northwest regions (EyeMasters, Binyon's, VisionWorld, Stein Optical Express, VisionWorks, Hour Eyes and Dr. Bizer's VisionWorld), as well as the Mid-Atlantic and Northeast regions (Hour Eyes and Eye Dr. Rx). ECCA is actively exploring aggressive expansion plans in both existing and new markets in the USA. ECCA currently has no plans to expand the ECCA brand names to other countries.

Financial information

Based on the Form 10-Q (quarterly report) filed by ECCA on November 9, 2004 with the SEC, the unaudited consolidated net liabilities of the ECCA Group as at September 25, 2004 was approximately US\$50.3 million (HK\$392.3 million). Based on the Form 10-K (annual report) filed by ECCA on March 24, 2004 with the SEC, for the two financial years ended December 28, 2002 and December 27, 2003, the audited consolidated net profit after taxation and extraordinary items of the ECCA Group was US\$14.2 million (HK\$110.8 million) and US\$25.8 million (HK\$201.2 million) respectively. During the same periods, the audited consolidated net profit before taxation and extraordinary items of the ECCA Group was US\$15.8 million (HK\$123.2 million) and US\$16.2 million (HK\$126.4 million) respectively.

ECCA has issued debt securities which are publicly traded in the US and is a voluntary filer of certain information with the SEC.

Board composition

As at the date of this announcement, the board of ECCA comprises seven directors, namely David McComas, Bernard W Andrews, Charles A Brizius, Anthony J DiNovi, Norman S Matthews, Warren C Smith Jr and Antoine G Treuille. Upon the completion of the Merger, all the then existing directors of ECCA will retire from their directorships and the directors of Merger Sub immediately prior to the Effective Time will become directors of ECCA. It is the Company's expectation that the key members of ECCA's management will remain intact to manage the Surviving Corporation.

PRINCIPAL BUSINESS ACTIVITIES OF THE GROUP

The principal activity of the Company is investment holding. The principal activities of the Company's principal subsidiaries comprise the design, manufacture, distribution and retail of quality eyewear products to customers worldwide. The Group has effectively built a comprehensive global distribution network operating in over seventy countries worldwide, driven by major market subsidiaries in Europe, the USA and the Asia Pacific region. The Company is the largest eyewear manufacturer in Asia and the third largest worldwide, with production volumes exceeding fifteen million frames per year.

REASONS FOR THE MERGER

The rapid consolidation of the US retail market will continue to have a substantial impact on manufacturing and distribution businesses throughout the entire optical industry. The Company firmly believes that in order to thrive during this rapid period of change, it must re-evaluate its business plans regularly and seize opportunities when they arise.

The acquisition of ECCA presents the Company with an excellent platform that can be used to expand its presence in the crucial North American market. Moreover, the Company's expertise in manufacturing in China and global distribution represents tremendous potential to support ECCA's organic growth strategy in the consolidating US retail market. The management teams of the Company and ECCA enjoy an excellent relationship based on corresponding views of both the optical industry and the factors critical to long term success. The Company is dedicated to leveraging its strengths in cutting-edge design, low cost manufacturing and streamlined supply chain operations to offer the best overall value proposition in the optical industry. ECCA's retail growth strategy is rooted in offering consumers the best optical buying experience for their money, based on a combination of market-leading service, frame selection and lens technologies. Given the complimentary strengths and similar strategic vision of the Company and ECCA, the Directors believe that the Merger will generate value for the Group's customers and shareholders. The companies are expecting product and sourcing synergies from the Merger. The Company expects to leverage its manufacturing capabilities, China sourcing network and supply chain expertise to impact ECCA's operating profit through the porting of products to the Company's factories, economies of scale in purchasing power and disintermediation of the Company's current vendor base. The Merger is expected to reduce costs while simultaneously increasing the efficiency of ECCA's operations.

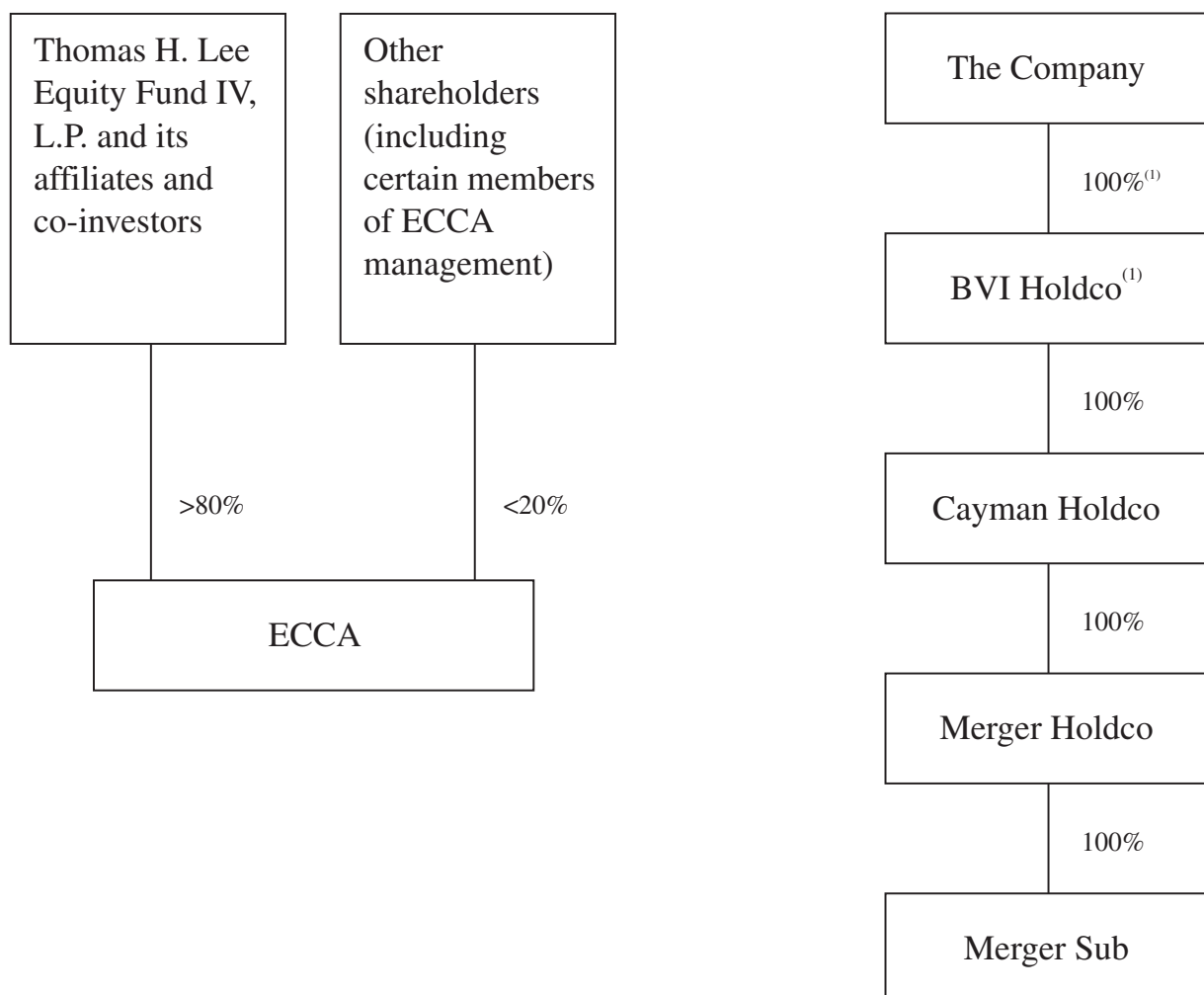
The Company also believes in the benefits of partnering with experienced players when approaching new markets. GGC has a proven track record with regard to successful expansion in the US retail market. In addition to their financial support, they provide an excellent base of retail knowledge and a network of valuable contacts to help the Company circumvent avoidable obstacles and remain on the best track for rapid and stable growth.

The Directors consider that the terms of the Agreement and the related transactions are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

GENERAL

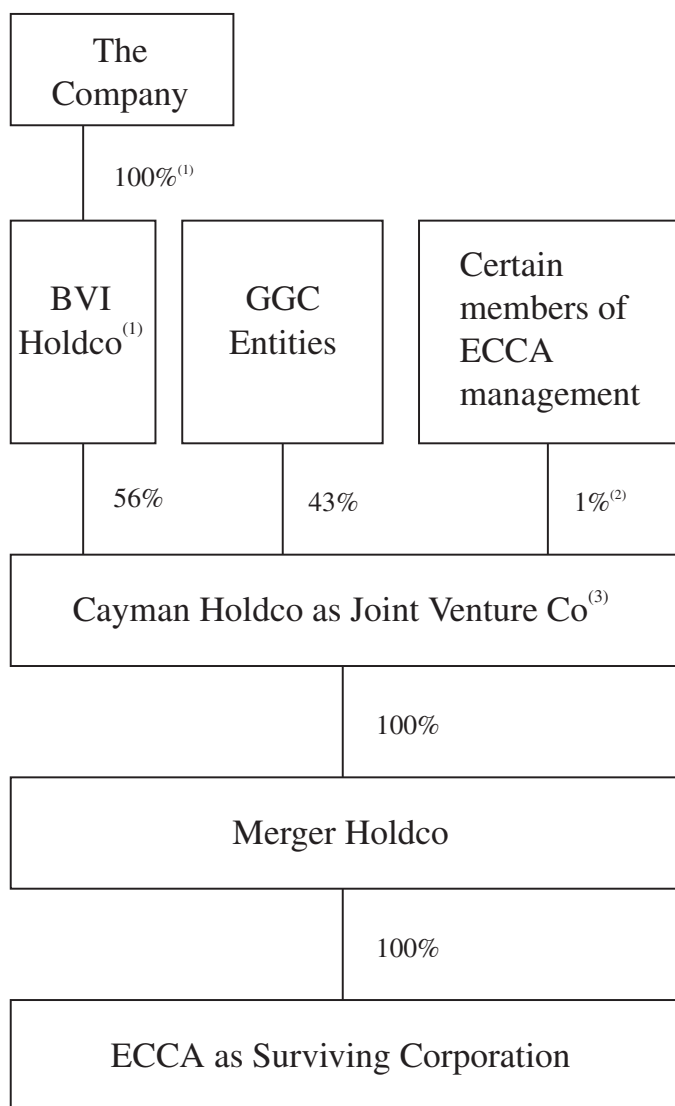
The shareholding structure of ECCA before the Merger and the expected shareholding structure of ECCA after the Merger are as follows:

Before the Merger

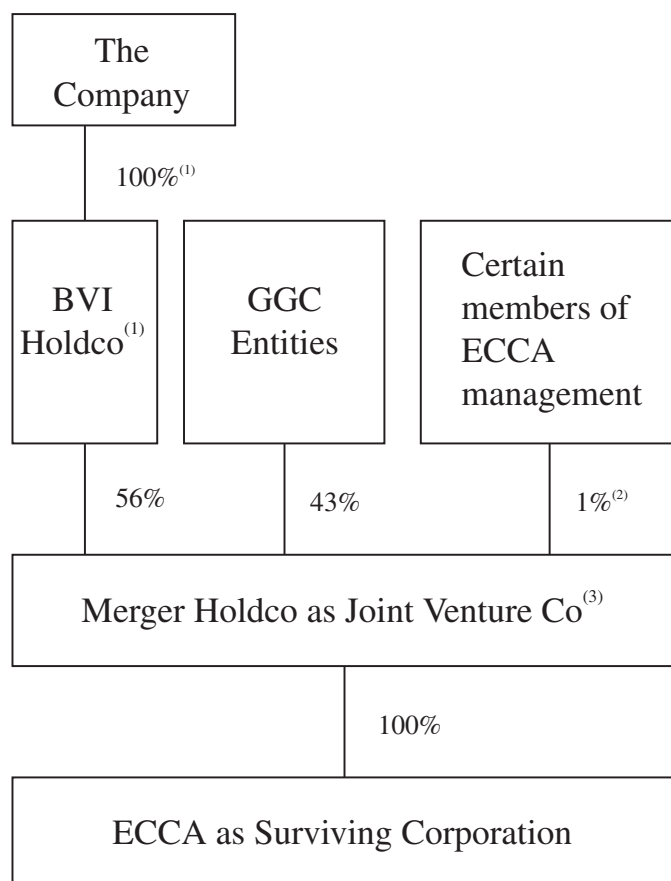


After the Merger

(i) If Merger Holdco Election not exercised



(ii) If Merger Holdco Election exercised



Notes:

- (1) *BVI Holdco is indirectly wholly owned by the Company through two intermediate holding companies.*
- (2) *The exact number of Rollover ECCA Shares and the terms of their exchange into Joint Venture Co shares have not yet been agreed. However, it is currently expected that ECCA management will own approximately 1% of Joint Venture Co after the Merger.*
- (3) *Upon Closing, an executive of the Company will either be granted an option over up to 3% of common shares of Joint Venture Co or be issued up to 3% of restricted stock of Joint Venture Co.*

The Agreement and the related transactions set out in this announcement constitute a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and are therefore subject to Shareholders' approval in general meeting of the Company pursuant to Rule 14.49. To the best knowledge of the Directors, no Shareholder will be required to abstain from voting at the SGM. Messrs. Ma Bo Kee, Ma Bo Fung, Ma Bo Lung, Ma Lit Kin, Cary, Ma Hon Kin, Dennis and a company owned by their family trust, a discretionary trust whose objects include them and their family members, together holding approximately 33.7 per cent. shareholding in the Company, whose interest is no different from that of the other shareholders of the Company, have agreed with ECCA that they will vote in favour of the resolution for approving the Agreement at the SGM. A circular containing, inter alia, further information on the Agreement and the related transactions and a notice of the SGM will be despatched to the Shareholders in accordance with the applicable requirements of the Listing Rules.

Trading in the Shares on the Stock Exchange was suspended at the request of the Company from 9:30 a.m. on December 3, 2004 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares from 9:30 a.m. on December 7, 2004.

DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“Agreement”	the agreement and plan of merger dated December 2, 2004 entered into between ECCA, Thomas H. Lee Equity Fund IV, L.P. (solely in its capacity as representative of ECCA's shareholders), Merger Sub and Merger Holdco in respect of the Merger
“Board”	the board of Directors
“Business Day”	any day, other than a Saturday, Sunday or a day on which the banks or national securities exchanges located in New York, New York shall be authorized or required by law to close
“BVI Holdco”	Ample Faith Investments Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Cayman Holdco”	ECCA Holdings (Cayman) Limited, a company incorporated in the Cayman Islands and an indirect wholly-owned subsidiary of the Company
“China”	the People's Republic of China, excluding Hong Kong, Macau and Taiwan
“Closing”	the closing of the Merger under the Agreement
“Company”	Moulin International Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules

“Directors”	the directors of the Company
“ECCA”	Eye Care Centers of America, Inc., a company incorporated in Texas, USA with limited liability which is owned over 80 per cent. by Thomas H. Lee Equity Fund IV, L.P. and certain of its affiliates and co-investors
“ECCA Group”	ECCA and its subsidiaries
“Effective Time”	the effective time of the Merger
“GGC”	Golden Gate Private Equity, Inc.
“GGC Administration, LLC”	an affiliate of GGC
“GGC Entities”	GGC and its affiliates who become owners of shares in Joint Venture Co
“Group”	the Company and its subsidiaries
“HK” or “Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Joint Venture Co”	Cayman Holdco or, if the Merger Holdco Election is made, Merger Holdco
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Merger”	the merger of Merger Sub with and into ECCA pursuant to the terms of the Agreement
“Merger Holdco”	ECCA Holdings Corporation, a company incorporated in Delaware, USA with limited liability and an indirect wholly-owned subsidiary of the Company
“Merger Holdco Election”	an election by either BVI Holdco or the GGC Entities to satisfy its equity commitment directly to Merger Holdco
“Merger Sub”	LFS-Merger Sub, Inc., a company incorporated in Texas, USA with limited liability which is wholly owned by Merger Holdco
“Restraint”	temporary restraining order, preliminary or permanent injunction or other judgment or order by or pending before any court of competent jurisdiction or other statute, law, rule, legal restraint or prohibition

“Rollover ECCA Options”	options or other rights to acquire from any member of the ECCA Group securities convertible into or exchangeable or exercisable for shares in any member of the ECCA Group, held by certain shareholders of ECCA who are members of the management of ECCA as set forth in an exhibit to the Agreement, which may be amended prior to the Effective Time by each such shareholder and Merger Sub
“Rollover ECCA Shares”	the shares of company common stock held by certain shareholders of ECCA who are members of the management of ECCA as set forth in an exhibit to the Agreement, which may be amended prior to the Effective Time by each such shareholder and Merger Sub
“SEC”	the Securities and Exchange Commission of the USA
“Senior Credit Agreement”	the senior credit agreement and related documents to be entered into by Joint Venture Co and/or its subsidiaries in connection with the transactions contemplated by the Agreement
“SGM”	the special general meeting of the Company to be convened for the purpose of approving the Agreement
“Shareholders”	holders of the Shares
“Shares”	shares of HK\$0.50 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Shareholders’ Agreement”	the stockholders agreement dated December 2, 2004 entered into among Merger Holdco, Cayman Holdco, BVI Holdco, the GGC Entities and the Company
“subsidiary”	has the meaning ascribed to it under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and “subsidiaries” shall be construed accordingly
“Supply Agreement”	the supply agreement dated December 2, 2004 between Merger Sub and the Company
“Supply Agreement Breach”	any breach by the Company of its obligation under the Supply Agreement to (i) notify Merger Sub of better price terms for any products sold or provided to any person and apply such better price terms to products sold to Merger Sub, such breach not having been cured within 30 days of receiving notice from Merger Sub; or (ii) make payments of volume incentives to Merger Sub and a one-off payment of US\$300,000 (HK\$2.34 million) to Merger Sub on or prior to December 31, 2005, such breach remaining uncured more than 30 days after notice from Merger Sub

“Surviving Corporation” ECCA as the surviving corporation in the Merger

“US\$” United States dollars, the lawful currency of the USA

“USA” or “US” the United States of America

By Order of the Board
Ma Bo Kee
Chairman

Hong Kong, December 6, 2004

As at the date hereof, 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 and (2) Mr. Ng Tai Chiu, David, Mr. Chan Wing Wah, Ivan and Mr. So Kwan Hon, Danny as independent non-executive directors.

** For identification purposes only*

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