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泰興光學集團有限公司*
Moulin Global Eyecare Holdings Limited
(Incorporated in Bermuda with limited liability)
(Stock Code: 389)

**ANNOUNCEMENT IN COMPLIANCE WITH
RULE 13.09 OF THE LISTING RULES
AND
RESIGNATION OF DIRECTORS**

Advised by
ANGLO CHINESE
CORPORATE FINANCE, LIMITED

As a result of the receipt of demand letters from its bank creditors requiring the immediate repayment of an aggregate of some HK\$329 million, the Group was in technical default of its banking arrangements involving credit facilities of some HK\$750 million, and triggered the cross default provisions in other bank facilities of the Group. The Company has met with its Bank Creditors and received informal indications of support from them.

Discussions on standstill arrangements with Bank Creditors are underway. A draft of a standstill agreement is being reviewed by the Company and its Bank Creditors, and an independent financial adviser has been engaged by the steering committee, at the expense of the Company, to review the operations of the Group.

Anglo Chinese has been appointed to advise the Company in negotiations with Bank Creditors and on a recapitalisation proposal that may involve raising new capital by way of a rights issue, other issue of securities, asset sales or the introduction of a strategic investor.

Notwithstanding the absence of a standstill agreement with its Bank Creditors, the Board believes that the Group has sufficient internally generated working capital for its operations. As at the latest practicable date for the purpose of this announcement, the Group had cash deposits at banks in Hong Kong totalling approximately HK\$90 million. The Group's day-to-day operations have not been impacted by the status of its bank facilities.

The Board believes that the Group has sufficient working capital for its day-to-day operations, including the recently acquired ECCA operations.

The acquisition of ECCA in the United States was completed on 1 March, 2005. The related financing arrangements were not affected at law in any way by the non-repayment of loans demanded by Bank Creditors.

The Company anticipates that the publication of the 2004 annual results will be delayed until the end of June, 2005.

On 13 May, 2005, two executive directors of the Company resigned.

Trading in the Company's shares has been suspended at the request of the Company with effect from 9:30 a.m. on 18 April, 2005 and will continue to be suspended until the publication of the Company's 2004 annual results and the concerns of the Stock Exchange arising from the delay in the publication of annual results have been satisfactorily addressed.

STATUS OF BANK FACILITIES

Reference is made to the Company's announcement of 28 April, 2005 relating to, amongst other things, the delay in publication of the Company's results for the year ended 31 December, 2004 and the change of auditors.

On 29 April, 2005, the Company and its subsidiaries (the "Group") were in technical default of their banking arrangements by virtue of trading in shares in the Company having been suspended on the Stock Exchange for more than nine trading days breaching a covenant in a loan agreement entered into with a syndicate of banks, as announced by the Company on 12 November, 2004, comprising a term loan facility of up to HK\$450,000,000 and a revolving credit facility of up to HK\$300,000,000. As at the date of this announcement, the Group has not received from the syndicate of banks any claims or demands for repayment of the aggregate loan amount of HK\$750,000,000 as a result of the technical default.

The Group has received demand letters from eight of its bank creditors (the "Bank Creditors") requiring the immediate repayment of an aggregate of some HK\$329 million. The receipt of demand letters from Bank Creditors also triggered cross default provisions in other bank facilities of the Group. Save for the demand letters that have been received, the Directors are not aware of any other actions being instituted by Bank Creditors against the Group. As at the latest practicable date for the purposes of this announcement, the Group, excluding Eye Care Centers of America, Inc. ("ECCA"), had unaudited aggregate bank borrowings of some HK\$2.8 billion.

Subsequently, on 9 May, 2005, the Company met its Bank Creditors, and at that meeting, received informal indications of support from them. Formal withdrawal of one of the demand letters has been received as at the date of this announcement.

On 9 May, 2005, a steering committee of Bank Creditors was formed comprising representatives of seven of them to oversee the Company's discussions with Bank Creditors in relation to the Group's indebtedness then. An independent financial adviser has been engaged by the steering committee, at the expense of the Company, to review the operations of the Group (the "Review"). In the meantime, Bank Creditors are continuing to make facilities of a revolving nature, including trade lines, available to the Group.

The Company is presently discussing a formal standstill with Bank Creditors pending the results of the Review and the submission of a recapitalisation proposal from Anglo Chinese Corporate Finance, Limited ("Anglo Chinese") by way of a rights issue, other issue of securities, asset sales or the introduction of a strategic investor. A draft standstill agreement is being reviewed by the Company and its Bank Creditors and the Company has been and continues to cooperate with the steering committee and its independent financial advisers in providing access to information. Meanwhile, the Company will announce as necessary further developments relating to its discussions with Bank Creditors. The Company has undertaken not to give preference to any Bank Creditor over another in terms of loan repayments or creating or perfecting security, pending a standstill agreement having been agreed.

Save for four mortgage loans with an aggregate outstanding principal of some HK\$8.6 million as at 6 May, 2005, none of the Group's other assets were pledged as collateral for the Group's bank borrowings in Hong Kong.

OPERATIONS OF THE GROUP

The Group designs, manufactures and distributes quality eyewear products to customers worldwide. The Group is the largest eyewear manufacturer in Asia and the third largest worldwide, with production volumes exceeding fifteen million frames per year. It is expected that the Group's recent acquisition of ECCA, the second largest optical retail chain as measured by net revenues in the United States, will transform the Group into a vertically integrated eyewear company with global operations.

Notwithstanding that a formal standstill agreement with Bank Creditors is not yet in place, and providing that Bank Creditors do not enforce demands made, the board of directors of the Company (the "Board") believes that the Group has sufficient internally generated working capital for its operations. The Group's day-to-day operations have not been impacted by the status of its bank facilities.

As at the latest practicable date for the purpose of this announcement, the Group held approximately HK\$90 million in an operating account with a bank in Hong Kong where no borrowing relationship exists with the Group.

The acquisition of ECCA was completed on 1 March, 2005. As previously announced, the acquisition was funded by shareholders' equity and by the issue of senior subordinated notes and bank borrowings. These bank facilities were secured by substantially all of the assets of ECCA, including its capital stock and the capital stock of its subsidiaries. All the financing arrangements for the ECCA acquisition, which are without recourse to the Company, have been completed.

The Company does not anticipate any immediate funding requirements for the ECCA operations and expects reduced working capital requirements after completion of the ECCA acquisition as a result of a then integrated distribution network and streamlined supply chain. It is expected that the Group's cash generating capability will be strengthened after the acquisition with ECCA, it having produced a total of US\$57 million (HK\$445 million) in free cash flow in the three fiscal years ended 31 December, 2003.

CHANGE OF AUDITORS AND DELAY IN PUBLICATION OF ANNUAL RESULTS

Further to the Company's announcement of 28 April, 2005, the Board anticipates that the publication of the Group's 2004 annual results will be delayed until the end of June, 2005. This delay constitutes a breach of Rules 13.46(2) (a) and 13.49(1) of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Stock Exchange of Hong Kong Limited reserves the right to take appropriate action against the Company and, or, its directors in respect of such breach. However, such delay did not result in a breach of the bye-laws of the Company or the applicable laws of Bermuda.

The Company will set up an independent team with experience in reviewing financial reporting and compliance systems, procedures and controls to review the internal control systems of the Group.

According to the bye-laws of the Company, if the office of the auditor of the Company becomes vacant by resignation, the Board shall as soon as practicable convene a special general meeting to fill the vacancy. The Board has resolved to propose to the shareholders of the Company the appointment of CCIF CPA Limited (“CCIF”) as the new auditors of the Company to fill the vacancy arising from Messrs. Deloitte Touche Tohmatsu’s resignation until the conclusion of the next annual general meeting of the Company. A notice of special general meeting with an accompanying circular will be despatched to the shareholders of the Company on 1 June, 2005.

BOARD CHANGES

The Board also announces that Mr. Ma Hon Kin, Dennis and Mr. Joseph A. Barrett have resigned as executive directors of the Company with effect from 13 May, 2005. The resignation of Mr. Ma was part of the Company’s plan to reduce the proportion of family members on the Board, and in due course, additional independent non-executive directors are expected to be appointed. Mr. Barrett resigned due to his plans to return to the United States. Mr. Barrett had on 16 May, 2005 entered with the Company into a consultancy agreement under which Mr. Barrett agreed to provide consultancy services to the Group. Save for the aforesaid, the Board is not aware of any matters relating to the resignation of the two executive directors that need to be brought to the attention of the shareholders of the Company. Mr. Ma and Mr. Barrett have confirmed that none of them presently have any disagreement with other members of the Board in relation to matters concerning the Group.

GENERAL

Anglo Chinese has been appointed to advise the Company in negotiating with its Bank Creditors and on a recapitalisation proposal which may involve raising new capital by way of a rights issue, other issue of securities, asset sales or the introduction of a new strategic investor. It is not presently expected that the introduction of a new strategic investor, if it happens, will result in a change of control of the Company within the meaning of the Hong Kong Codes on Takeovers and Mergers.

The Company noted that there are recent newspaper articles reporting the Company’s intention to place its shares through Sun Hung Kai Securities Limited. The Company is not in discussion with any brokerage firms, securities firms or any other parties with regard to the placing of its shares. The Board has confirmed that the contents of such articles are not true and do not have any basis or substance.

The Board also confirms that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under Rule 13.23 of the Listing Rules. Save as disclosed in this announcement the Board is not aware of any other matter discloseable under the general obligation under Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this statement.

Trading in the Company’s shares has been suspended at the request of the Company with effect from 9:30 a.m. on 18 April, 2005 and will continue to be suspended until the publication of the Company’s 2004 annual results and the concerns of the Stock Exchange arising from the delay in the publication of annual results have been satisfactorily addressed.

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Ma Bo Kee
Mr. Ma Bo Fung
Mr. Ma Bo Lung
Mr. Ma Lit Kin, Cary
Mr. Tong Ka Wai, Dicky

Independent Non-executive Directors:

Mr. Ng Tai Chiu, David
Mr. Chan Wing Wah, Ivan
Mr. So Kwan Hon, Danny

By Order of the Board
Ma Bo Kee
Chairman

Hong Kong, 31 May, 2005

** For identification purposes only*

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