

---

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Moulin Global Eyecare Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**泰興光學集團有限公司\***

**MOULIN GLOBAL EYECARE HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 389)**

**CHANGE OF AUDITORS  
AND  
NOTICE OF SPECIAL GENERAL MEETING**

---

A notice convening a special general meeting of Moulin Global Eyecare Holdings Limited to be held at 4/F, Kenning Industrial Building, 19 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on 17 June, 2005 at 11:00 a.m. to approve the matter referred to in this circular is set out on page 9 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

1 June, 2005

*\* For identification purposes only*

---

## DEFINITIONS

---

*In this circular, the following expressions shall have the following meaning unless the context indicates otherwise:*

“Anglo Chinese”	Anglo Chinese Corporate Finance, Limited, a deemed licensed corporation under the SFO permitted to engage in types 1, 4, 6 and 9 of the regulated activities as defined in the SFO
“Bank Creditors”	banks which are creditors of the Group
“Board”	the board of Directors
“CCIF”	CCIF CPA Limited
“Company”	Moulin Global Eyecare Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“DTT”	Deloitte Touche Tohmatsu
“Director(s)”	the director(s) of the Company
“ECCA”	Eye Care Centers of America, Inc.
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	27 May, 2005, being the latest practicable date prior to the printing of this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Review”	the review of the operations of the Group by the independent financial adviser engaged by the steering committee, at the expense of the Company
“Sample Shipping Documents”	the 12 sets of supporting documentation requested by DTT for sampling purposes relating to certain sales transactions to overseas distributors

---

## DEFINITIONS

---

“SGM”	the special general meeting of the Company to be held at 4/F, Kenning Industrial Building, 19 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on 17 June, 2005 at 11:00 a.m., the notice of which is set out in this circular
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

---

## LETTER FROM THE BOARD

---



泰興光學集團有限公司\*

### MOULIN GLOBAL EYECARE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

*Executive Directors:*

Ma Bo Kee (*Chairman*)  
Ma Bo Fung (*Vice Chairman*)  
Ma Bo Lung (*Vice Chairman*)  
Ma Lit Kin, Cary (*Chief Executive Officer*)  
Tong Ka Wai, Dicky

*Independent Non-executive Directors:*

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

*Registered Office:*

Clarendon House  
Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business:*

4/F, Kenning Industrial Building  
19 Wang Hoi Road  
Kowloon Bay  
Kowloon  
Hong Kong

1 June, 2005

*To the Shareholders*

Dear Sir or Madam,

### CHANGE OF AUDITORS AND NOTICE OF SGM

#### PROPOSED APPOINTMENT OF AUDITORS

On 28 April, 2005, the Board announced that DTT had resigned as the auditors of the Company with effect from 18 April, 2005.

The Board has resolved to propose to Shareholders the appointment of CCIF as the new auditors of the Company, to fill the vacancy arising from DTT's resignation, until the conclusion of the next annual general meeting of the Company.

\* For identification purposes only

---

## LETTER FROM THE BOARD

---

As DTT indicated that it would be unable to commit to any reporting deadline until its concerns as mentioned below had been resolved and in view of the extent of the additional costs which DTT indicated were to be incurred to complete the audit, the Board has resolved to propose to Shareholders the appointment of CCIF as the new auditors of the Company.

Prior to DTT's resignation, DTT had raised concerns to the Company with regard to the sufficiency of, and access to, audit evidence, errors in accounting treatment for certain intangible and fixed assets, and also whether the Group has proper internal controls to ensure that transactions are properly documented and proper books and records maintained. The Company has confirmed with CCIF that CCIF will consider alternative procedures to deal with the insufficiency of audit evidence. The Company understands that the alternative procedures will include obtaining third party confirmations and establishing an audit trail of documents from the placement of orders to raw material procurement, production, invoicing and settlement of invoices. The Company believes that the concern regarding access to audit evidence was due to the reduction in manpower for the audit work as a result of the completion of the acquisition of ECCA and the fact that the information systems of the Group are not yet fully integrated. The Company will discuss the errors in accounting treatment with CCIF with a view to making appropriate accounting adjustments. In addition, 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 and will make a further announcement, if appropriate, upon finalisation of the review.

DTT also raised questions on the authenticity of 12 sets of supporting documentation which they had requested for sampling purposes relating to certain sales transactions to overseas distributors. The original records of the Sample Shipping Documents were misplaced and could not be located. They related to approximately HK\$12 million of sales, which represented approximately 1% and 0.5% of the Company's audited consolidated sales and current assets for 2003 respectively. As at the Latest Practicable Date, sales relating to 10 out of the 12 sets of Sample Shipping Documents amounting to approximately HK\$10 million have already been settled. The aggregate amount of all receivables involving the abovementioned overseas distributors was approximately HK\$249 million as at 31 December, 2004. As at the Latest Practicable Date, the aggregate amount of all the receivables relating to those distributors was reduced to approximately HK\$151 million due to settlement after 31 December, 2004. The Company also wishes to emphasise that the Sample Shipping Documents, although reproduced, related to genuine transactions.

The Company has engaged CCIF to conduct an investigation on the Sample Shipping Documents. CCIF has relevant experience in conducting similar investigations relating to companies listed in Hong Kong with operations in the People's Republic of China. According to CCIF's interim written report to the Company dated 19 April, 2005, the Sample Shipping Documents were inappropriately reproduced by a junior staff member employed by one of the Group's sub-contractors in Chaoyang, the People's Republic of China. In order to save office space and costs in Hong Kong, it has been the Group's practice to store supporting documents of certain sales transactions, including purchase orders, sales confirmations and shipping documents, at the premises of this sub-contractor (which also provides

---

## LETTER FROM THE BOARD

---

data processing services to the Group). According to CCIF's report, the individual concerned reproduced the Sample Shipping Documents when urged to provide the documents as he could not locate them in time for delivery to the Company in Hong Kong. CCIF indicated that this was an isolated incident and no staff or senior management of the Company was involved or implicated in the incident. CCIF also reported that there was nothing to suggest that the financial systems of the Company are not intact, although there were weaknesses in the internal control systems of the Group and suggested that an independent team comprising external professionals be appointed by the Company to carry out a thorough study to rectify the weaknesses.

For the reasons set out in the Company's announcement dated 28 April, 2005 and after discussions with CCIF as to the status of the supporting documentation for the audit work, the outstanding issues raised by DTT as mentioned above and CCIF's estimated time frame for completing the audit, the Board currently anticipates that the publication of the 2004 annual results of the Company will be delayed until shortly after the formal appointment of CCIF as auditors of the Company. The Company has confirmed with CCIF that, as at the Latest Practicable Date, the audit work is on schedule. The delay in publication of the 2004 annual results constitutes a breach of Rules 13.46(2)(a) and 13.49(1) of the Listing Rules. The Stock Exchange 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 confirms that it previously approached two international accounting firms to audit the Group's results for the year ended 31 December, 2004. However, the two firms had not accepted the engagement due to the lack of resources at the time. CCIF, a local accounting firm, was then engaged to audit the Group's financial statements.

The Board anticipates that the publication of the Group's 2004 annual results will be delayed until the end of June, 2005.

### **STATUS OF BANK FACILITIES**

On 29 April, 2005, the Group was in technical default of its 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 Latest Practicable Date, 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.

---

## LETTER FROM THE BOARD

---

The Group has received demand letters from eight of its 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, the Group, excluding 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 Latest Practicable Date.

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 to them. An independent financial adviser has been engaged by the steering committee, at the expense of the Company, to review the operations of the Group. 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 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.

---

## LETTER FROM THE BOARD

---

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 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, 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, if having produced a total of US\$57 million (HK\$445 million) in free cash flow in the three fiscal years ended 31 December, 2003.

The Board confirms that, apart from the disclosure made in this circular and the Company's announcement dated 28 April, 2005, there are no other circumstances in respect of the proposed change of auditors which it considers should be brought to the attention of the Shareholders or creditors of the Company. The matters disclosed in this circular and the Company's announcement dated 28 April, 2005 are the only material concerns raised by DTT during their audit work prior to their resignation.

### **SGM**

Pursuant to bye-law 157 of the Company's bye-laws, a special general meeting has to be convened as soon as practicable to fill the said vacancy arising on DTT's resignation.

A notice convening the SGM is set out on page 9 of this circular. An ordinary resolution will be proposed at the SGM to approve the appointment of CCIF as the auditors of the Company. A form of proxy for use at the SGM is enclosed. Whether or not you are able to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's principal place of business in Hong Kong at 4/F, Kenning Industrial Building, 19 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.



---

## LETTER FROM THE BOARD

---

### PROCEDURES BY WHICH SHAREHOLDERS MAY DEMAND A POLL

Pursuant to bye-law 66 of the Company's bye-laws, a resolution put to the vote of any general meeting shall be decided on a show of hands unless a poll is demanded by the Chairman of the meeting (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) or:

- (i) by at least three Shareholders present in person or by duly authorised representative in the case of a Shareholder being a corporation or by proxy for the time being entitled to vote at the meeting;
- (ii) by any Shareholder or Shareholders present in person or by duly authorised representative in the case of a Shareholder being a corporation or by proxy and representing not less than one-tenth of the total voting rights of all the Shareholders having the right to vote at the meeting; or
- (iii) by any Shareholder or Shareholders present in person or by duly authorised representative in the case of a Shareholder being a corporation or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

### RECOMMENDATION

The Board considers the appointment of CCIF as the auditors of the Company to be in the interests of the Company and Shareholders as a whole, and accordingly recommends Shareholders to vote in favour of the ordinary resolution to approve the appointment of auditors at the SGM.

Yours faithfully,  
By Order of the Board  
**Ma Bo Kee**  
*Chairman*

---

## NOTICE OF SPECIAL GENERAL MEETING

---



泰興光學集團有限公司\*

### MOULIN GLOBAL EYECARE HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 389)**

**NOTICE IS HEREBY GIVEN** that a special general meeting of Moulin Global Eyecare Holdings Limited (the “Company”) will be held at 4/F, Kenning Industrial Building, 19 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong on 17 June, 2005 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the following resolution as an ordinary resolution:

#### **ORDINARY RESOLUTION**

“**THAT** CCIF CPA Limited, Certified Public Accountants, be and are hereby appointed as the auditors of the Company to fill the vacancy following the resignation of Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants, to hold office with immediate effect until the conclusion of the next annual general meeting of the Company and the board of directors of the Company be and is hereby authorised to fix their remuneration.”

By Order of the Board

**Kan Siu Yim, Katie**

*Company Secretary*

Hong Kong, 1 June, 2005

*Principal place of business:*

4/F, Kenning Industrial Building

19 Wang Hoi Road

Kowloon Bay, Kowloon

Hong Kong

\* *For identification purposes only*

---

## NOTICE OF SPECIAL GENERAL MEETING

---

*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be deposited at the Company's principal place of business in Hong Kong at 4/F, Kenning Industrial Building, 19 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong not less than 48 hours before the time for holding the meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude a member from attending and voting at the above meeting or any adjournment thereof if he so wishes. In that event, his form of proxy will be deemed to have been revoked.