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

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your 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 to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)*  
(Provisional Liquidators Appointed)

**(Stock Code: 389)**

**DISCLOSEABLE TRANSACTION  
SALE OF SHARES AND PROPERTY**

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7 September 2005

\* For identification purposes only

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## DEFINITIONS

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

<b>Expressions</b>	<b>Meanings</b>
“Agreement”	the master agreement dated 7 August 2005 entered into between the Sellers, the Purchaser and the Provisional Liquidators for the sale and purchase of the Sale Assets on and subject to the terms and conditions described therein;
“Best Asset”	Best Asset Holdings Limited, an indirect wholly-owned subsidiary of the Company, being a company incorporated in Hong Kong and having its registered office at 4th Floor, Kenning Industrial Building, 19 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong;
“Best Asset Sale Shares”	ten thousand (10,000) issued ordinary shares, being the entire issued share capital of Broad Global which were sold by Best Asset to the Purchaser in accordance with this Agreement;
“Broad Global”	Broad Global Investments Limited, an indirect wholly-owned subsidiary of the Company prior to the Transaction, being a company incorporated in the British Virgin Islands;
“Chaoyang Martin”	Chaoyang Martin Optical Company Limited, being a company incorporated in the PRC, the ownership of which is the subject of the legal action as described on page 6 of this circular under the heading “Chaoyang Martin Trust Asset”;
“Chaoyang Martin Trust Asset”	the interest (if any) of Leadkeen in Shanghai Hillman Trading and Shanghai Moulin Trading that may be held through Chaoyang Martin’s 10% outstanding equity interest in each of Shanghai Hillman Trading and Shanghai Moulin Trading;
“Company”	Moulin Global Eyecare Holdings Limited (Provisional Liquidators Appointed), a company incorporated in Bermuda on 18 May 1993 with limited liability, the shares of which are listed on the Stock Exchange;
“Completion”	completion of the sale and purchase of the Sale Assets in accordance with the Agreement;
“Court”	the High Court of Hong Kong, Court of First Instance;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Latest Practicable Date”	5 September 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Leadkeen”	Leadkeen Industrial Limited (Provisional Liquidators Appointed), an indirect wholly-owned subsidiary of the Company, being a company incorporated in Hong Kong and having its registered office at Room 1401-1402, 14 Hong Kong Club Building, 3A Chater Road, Central, Hong Kong;
“Leadkeen Sale Shares”	twenty-one million (21,000,000) issued ordinary shares of RMB1 each in the capital of Shanghai Holdings sold by Leadkeen to the Purchaser in accordance with this Agreement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MGET”	Moulin Global Eyecare Trading Limited (Provisional Liquidators Appointed), an indirect wholly-owned subsidiary of the Company, being a company incorporated in Hong Kong;
“PRC”	the Peoples’ Republic of China;
“Primetime”	Primetime Holdings Limited, an indirect wholly-owned subsidiary of the Company, being a company incorporated in Hong Kong and having its registered office at 4th Floor, Kenning Industrial Building, 19 Wang Hoi Road, Kowloon Bay, Kowloon, Hong Kong;
“Primetime Sale Shares”	ten thousand (10,000) issued ordinary shares, being the entire issued share capital of Profit Shuttle which were sold by Primetime to the Purchaser in accordance with this Agreement;
“Profit Shuttle”	Profit Shuttle Investments Limited, an indirect wholly-owned subsidiary of the Company prior to the Transaction, being a company incorporated in the British Virgin Islands;
“Property”	the land and building owned by Leadkeen in Zhongshan Province, PRC more fully described on page 6 of this circular under the heading “Zhongshan Property and Buildings”;
“Provisional Liquidators”	jointly and severally, Messrs Desmond Chung Seng Chiong and Roderick John Sutton in their capacity as joint and several provisional liquidators of the Company and Leadkeen pursuant to orders of the Deputy High Court Judge Poon dated 23 June 2005;

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## DEFINITIONS

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“Purchaser”	Classic Link Group Limited, a company incorporated in the British Virgin Islands and having its registered at P.O. Box 957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands;
“Sale Assets”	collectively, the Leadkeen Sale Shares, the Best Asset Sale Shares, the Primetime Sale Shares, the Property and the Chaoyang Martin Trust Asset;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Sellers”	collectively, Leadkeen, Best Asset and Primetime and “Seller” means any of them;
“Shanghai Hillman”	Shanghai Hillman Trading Ltd., an indirect subsidiary of the Company prior to the Transaction, being a company incorporated in the PRC;
“Shanghai Holdings”	Shanghai Moulin International Holdings Limited, an indirect subsidiary of the Company prior to the Transaction, being a sino-foreign joint stock company incorporated in the PRC;
“Shanghai Moulin Trading”	Shanghai Moulin Trading Company Limited, an indirect subsidiary of the Company prior to the Transaction, being a company incorporated in the PRC;
“Shareholders”	the shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transaction”	the sale and purchase of the Sale Assets in accordance with the terms and conditions of the Agreement;
“Zhongshan Factory”	has the meaning given to this term on page 6 of this circular; and
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong.

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## LETTER FROM THE PROVISIONAL LIQUIDATORS

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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)*

(Provisional Liquidators Appointed)

(Stock Code: 389)

*Directors:<sup>1</sup>*

*Executive*

Mr. Ma Bo Kee  
Mr. Ma Bo Fung  
Mr. Ma Bo Lung  
Mr. Ma Lit Kin, Cary

*Independent Non-Executive*

Mr. So Kwan Hon, Danny

*Registered Office:*

Clarendon House  
Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business:*

4th Floor  
Kenning Industrial Building  
19 Wang Hoi Road  
Kowloon Bay  
Kowloon  
Hong Kong

7 September 2005

*To the Shareholders, for information only*

Dear Sir or Madam,

### **DISCLOSEABLE TRANSACTION SALE OF SHARES AND PROPERTY**

#### **INTRODUCTION**

Reference is made to the Company's announcement dated 16 August 2005 in which the disposal of the Sale Assets was disclosed.

<sup>1</sup>*Effective management and control of the Company is now in the hands of the Provisional Liquidators pursuant to the court order of 23 June 2005.*

*\* For identification purposes only*

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## LETTER FROM THE PROVISIONAL LIQUIDATORS

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Leadkeen, Best Asset and Primetime entered into the Agreement on 7 August 2005 with the Purchaser for the purpose of the sale of the Sale Assets for a total consideration of HK\$80,000,000. Completion occurred on Thursday 11 August 2005.

The main purpose of this circular is to provide you with further information relating to the Transaction which constitutes a discloseable transaction of the Company.

### THE AGREEMENT DATED 7 AUGUST 2005

- Parties:**
- (1) Sellers
  - (2) Purchaser
  - (3) Provisional Liquidators

### Sale Assets

#### (1) *The Company's Entire Indirect Equity Interest in Shanghai Holdings*

- (a) The Best Asset Sale Shares — namely, 100% of the issued share capital of Broad Global which, prior to the Transaction, was owned by Best Asset. Broad Global has a 28.4% direct equity interest in Shanghai Holdings.
- (b) The Primetime Sale Shares — namely, 100% of the issued share capital of Profit Shuttle which, prior to the Transaction, was owned by Primetime. Profit Shuttle has a 13.5% indirect equity interest in Shanghai Holdings.
- (c) The Leadkeen Sale Shares — namely, twenty-one million (21,000,000) ordinary shares of RMB1 each, or 35% of the issued capital of Shanghai Holdings which, prior to the Transaction, were owned by Leadkeen. The transfer of the legal interest in the Leadkeen Sale Shares is, amongst other things, subject to the remaining shareholders of Shanghai Holdings waiver of a right of first refusal and approval. Leadkeen has not given any representation or warranty that such waivers and approvals will be obtained. The Company's disposal of its entire interest in Broad Global and Profit Shuttle as referred to (a) and (b) above, being the intermediaries holding interests in Shanghai Holdings, is not subject to the waiver of a right of first refusal or approval which is only applicable to Leadkeen's disposal of 21,000,000 shares in Shanghai Holdings.

Shanghai Holdings has a 90% equity interest in each of Shanghai Hillman Trading and Shanghai Moulin Trading. Chaoyang Martin has the remaining 10% equity interest in each of Shanghai Hillman Trading and Shanghai Moulin Trading. Shanghai Hillman Trading owns 44 retail shops in Shanghai involved in the retail sales of optical and eye-wear products trading under the name "American Eyes". In addition to these 44 retail outlets the Provisional Liquidators understand that there may be an additional 12 to 24 shops in Shanghai (and, possibly, other parts of the PRC) operating outside of Shanghai Hillman Trading's control but using the trade name of the Shanghai retail division, namely "American Eyes", under individual franchise arrangements. Shanghai Moulin Trading is involved in the distribution of eyewear to retail stores in the PRC.

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## LETTER FROM THE PROVISIONAL LIQUIDATORS

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Following Completion, Broad Global, Profit Shuttle and Shanghai Holdings and their respective subsidiaries ceased to be the subsidiaries of the Company.

### (2) *Zhongshan Property and Buildings*

The property owned by Leadkeen in Zhongshan, Guangdong Province, PRC and sold to the Purchaser is more particularly described as follows:

- (a) A parcel of land covering a total area of 15,407 square metres situated at Huancheng No. 2 Industrial Area, Zhongshan (中山環城第二工業區) approved for industrial use. The term of land use right will expire January 10, 2045;
- (b) A building, with total construction area of 5,297.98 square metres situated at Huancheng No. 2 Industrial Area, Zhongshan (中山環城第二工業區);
- (c) A building, with total construction area of 1,405.25 square metres situated at Huancheng No. 2 Industrial Area, Zhongshan (中山環城第二工業區); and
- (d) A building adjacent to the buildings described in paragraphs 2(b) and (c) above and situated on the land parcel described in paragraph 2(a) above (the “**Additional Building**”).

The property described in paragraphs 2(a) to (c) (both inclusive) being referred to as the “**Property**”.

Leadkeen is currently unable to locate the title documents in respect of the Additional Building and is unable to confirm that it is the registered owner of the Additional Building. Leadkeen has undertaken to assist in having the Purchaser registered as the registered owner of the Property. To the extent that Leadkeen is the registered owner of the Additional Building, it will assist in having the Purchaser registered as the registered owner of the Additional Building.

Prior to the Transaction, the Zhongshan Factory which assembled glasses pursuant to a subcontracting arrangement with the Group was situate on the Property.

### (3) *Chaoyang Martin Trust Asset*

In or around March 2004, Leadkeen executed certain agreements and documents with various parties pursuant to which Leadkeen has or may have derived certain trust or other interests in Shanghai Hillman Trading and Shanghai Moulin Trading that may be held through Chaoyang Martin’s 10% outstanding equity interest in each of Shanghai Hillman Trading and Shanghai Moulin Trading.

There is currently a legal action in the PRC which is aimed to confirm Leadkeen’s interest in Chaoyang Martin. The outcome of this action is unknown and ultimately it may be that Leadkeen is found to have no interest.



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## LETTER FROM THE PROVISIONAL LIQUIDATORS

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At Completion, Leadkeen assigned all its right, title and interest (if any) in and to the Chaoyang Martin Trust Asset to the Purchaser.

### **Consideration**

The total cash consideration for the Sale Assets was HK\$80,000,000, which was apportioned between the Sellers in the following manner:

- (1) Best Asset — HK\$25,851,755.53 in respect of the Best Asset Sale Shares;
- (2) Leadkeen — HK\$31,859,557.87 in respect of the Leadkeen Sale Shares and HK\$10,000,000 in respect of the Property; and
- (3) Primetime — HK\$12,288,686.60 in respect of the Primetime Sale Shares.

Given that the Company's interest in Chaoyang Martin Trust Asset is doubtful at best, no consideration was apportioned to this disposal.

The Purchaser paid to the Sellers HK\$24,000,000 on Sunday 7 August 2005 with the balance of HK\$56,000,000 paid on Thursday 11 August 2005 following the satisfaction of the conditions precedent to Completion described below.

The consideration was arrived at after arm's length negotiation between the relevant parties and having taken into account various other offers received by the Provisional Liquidators. Having considered the deteriorating nature of the Sale Assets and the financial position of Shanghai Holdings (as described further below under the heading 'Reasons for Disposal') and the limited conditions imposed by the Purchaser the Provisional Liquidators determined that the Purchaser's offer was the most appropriate offer to proceed with in respect of the Sale Assets.

The value of the Sale Assets and the net profit attributable to the Sale Assets for the two financial years immediately preceding the Transaction have not been disclosed in this circular as following the Provisional Liquidators' investigations into the affairs and operations of the Group, the Provisional Liquidators are of the view that such figures would be misleading given that they regard the accounts maintained by the Company may be misstated.

### **Conditions**

Completion was conditional upon the sanction of the Court in respect of (i) the sale and transfer of the Leadkeen Sale Shares and the Property and (ii) the entry into and completion of a deed of release by Leadkeen and MGET for the forgiveness of certain debts owed by Profit Shuttle, Broad Global and other Group companies. Court sanction was obtained on 11 August 2005.

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## LETTER FROM THE PROVISIONAL LIQUIDATORS

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Pursuant to the deed of release, all inter-company debts owed by Broad Global, Profit Shuttle, Shanghai Profit Shuttle Science & Technology Company Limited, Shanghai Holdings, Shanghai Moulin Trading and Shanghai Hillman Trading to the Group companies (post Completion) were forgiven. Set out below is a summary of the inter-company debts forgiven in accordance with the deed of release:

<b>(1) Debtor: Broad Global</b>	
<b>Creditor:</b>	<b>Amount</b>
	<i>HK\$</i>
Allied Industrial Limited	2,181,536.00
Moulin Holdings (HK) Co Ltd	8,490.00
MGET	13,964,928.28
<b>(2) Debtor: Profit Shuttle</b>	
<b>Creditor:</b>	<b>Amount</b>
	<i>HK\$</i>
Moulin Holdings (HK) Co Ltd	8,567.00
MGET	7,677,625.00
Leadkeen	7,505,557.82
<b>(3) Debtor: Shanghai Hillman Trading</b>	
<b>Creditor:</b>	<b>Amount</b>
	<i>HK\$</i>
MGET	15,121,826.00
<b>(4) Debtor: Shanghai Moulin Trading</b>	
<b>Creditor:</b>	<b>Amount</b>
	<i>HK\$</i>
MGET	38,089,196.00

Completion occurred on Thursday 11 August 2005.

### USE OF PROCEEDS

Part of the consideration is to be paid to certain Group companies in consideration of them agreeing to forgive certain inter-company debts. The consideration will ultimately form part of the estate of Group companies that are in liquidation or provisional liquidation and will be applied by those companies' liquidators and provisional liquidators in the ordinary course of the winding-up of those companies.

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## LETTER FROM THE PROVISIONAL LIQUIDATORS

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### REASONS FOR DISPOSAL

The Provisional Liquidators have faced a number of obstacles in trying to secure board and management control of Shanghai Holdings and the operational and management control of Shanghai Hillman Trading and Shanghai Moulin Trading. Additionally, on 27 March 2005, prior to the Provisional Liquidators' appointment, Shanghai Hillman Trading entered into a "master franchising arrangement" whereby Xin Don Don Trading Limited ("XDD") was granted the exclusive right to set up franchise stores using the name and logo of "American Eyes" for a period of 10 years. "American Eyes" is the primary trading name of Shanghai Hillman Trading and represents a considerable asset within the Group. An annual fee of only RMB100,000 is payable by XDD to Shanghai Hillman Trading for the franchise and under the arrangement Shanghai Hillman Trading has no control over XDD's franchised stores. Save for the aforesaid, no other fees are payable by XDD to the Group in respect of the master franchising arrangement.

Having regard to these issues, it is the Provisional Liquidators' view that the Transaction is in the best interests of the Company and all its stakeholders and that the offer from the Purchaser represents fair market value of the Sale Assets in the prevailing circumstances.

Given the mounting difficulties in respect of the Shanghai retail operations and the self-help remedies that suppliers have threatened with regard to the Zhongshan Factory, it is the Provisional Liquidators' opinion that waiting for the formal appointment of liquidators in respect of Leadkeen prior to a sale of the Sale Assets would greatly prejudice the value of the Sale Assets.

### GENERAL

To the best of the knowledge of the Provisional Liquidators, the Purchaser is a special purpose vehicle incorporated for the purpose of acquiring the Sale Assets and is beneficially owned by China Enterprises Capital Limited which is primarily involved in investment activities and is an independent third party, which is not a connected person (within the meaning of the Listing Rules) of the Company.

Prior to the appointment of the Provisional Liquidators, the principal activities of the Group comprised the design, manufacture, distribution and retail of eyewear products to customers worldwide. The Provisional Liquidators are continuing in their endeavours to investigate the Group's assets, liabilities and prospects and to secure buyer(s) for the balance of the Group's assets. The Company's non-wholly owned subsidiary in the United States, Eye Care Centers of America, Inc., continues to trade normally. In addition, certain of the Group's other distribution businesses continue to operate. A further announcement in relation to the Group's operations and prospects will be made as and when there are further material developments.

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## LETTER FROM THE PROVISIONAL LIQUIDATORS

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Your attention is drawn to the general information set out in the Appendix to this circular.

**Trading in the Company's shares has been suspended since 18 April 2005 and will continue to be suspended until further notice.**

Yours faithfully  
For and on behalf of  
**Moulin Global Eyecare Holdings Limited**  
(Provisional Liquidators Appointed)  
**Roderick John Sutton**  
**Desmond Chung Seng Chiong**  
*Joint and Several Provisional Liquidators*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Provisional Liquidators, as agents of the Company, having made all reasonable enquiries, collectively and individually accept full responsibility for the accuracy of the information contained in this circular with regard to the Transaction and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts with regard to the Transaction, the omission of which would make any statement in this circular misleading.

## 2. DISCLOSURE OF INTERESTS

- (i) To the best of the knowledge of the Provisional Liquidators, as at the Latest Practicable Date, based on the notifications received by the Company pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and the chief executive office of the Company are taken or deemed to have under such provisions of the SFO), the Model Code for Securities Transactions by Directors of Listed Companies and the register maintained by the Company pursuant to section 352 of the SFO, the Directors and chief executive of the Company had the following interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO):

### Long Positions in Ordinary Shares and Underlying Ordinary Shares of the Company

Name of director	Notes	Number of ordinary shares held			Share options#		Total	Percentage of the Company's issued share capital
		Personal interests	Family interests	Corporate interests	Other interests	Personal interests		
Ma Bo Kee	(a) & (d)	500,000	—	10,500,000	89,803,253	940,000	101,743,253	18.37%
Ma Bo Fung	(b) & (d)	500,000	—	—	89,803,253	940,000	91,243,253	16.48%
Ma Bo Lung	(b) & (d)	500,000	—	—	89,803,253	940,000	91,243,253	16.48%
Ma Lit Kin, Cary	(c) & (d)	500,000	—	—	91,092,974	940,000	92,532,974	16.71%
So Kwan Hon, Danny		—	—	—	—	200,000	200,000	0.04%

*Notes:*

- (a) 89,803,253 shares are owned by Sharp Merit International Limited, the entire issued share capital of which is held by Dynamic Utility Limited as trustee for the Ma Family Unit Trust. The Ma Family Unit Trust is a private unit trust with 10,000 units in issue, of which 9,999 units are held by HSBC International Trustee Limited in its capacity as trustee of the Ma Family Trust and 1 unit is held jointly by Ma Lit Kin, Cary and Ma Hon Kin, Dennis. The Ma Family Trust is a discretionary trust whose objects include Ma Bo Kee, Ma Bo Fung, Ma Bo Lung, Ma Lit Kin, Cary and their family members. 10,500,000 shares are owned by Excite Holdings Limited, a corporation wholly owned by Ma Bo Kee.

- (b) 89,803,253 shares are owned by Sharp Merit International Limited, the entire issued share capital of which is held by Dynamic Utility Limited as trustee for the Ma Family Unit Trust. The Ma Family Unit Trust is a private unit trust with 10,000 units in issue, of which 9,999 units are held by HSBC International Trustee Limited in its capacity as trustee of the Ma Family Trust and 1 unit is held jointly by Ma Lit Kin, Cary and Ma Hon Kin, Dennis. The Ma Family Trust is a discretionary trust whose objects include Ma Bo Kee, Ma Bo Fung, Ma Bo Lung, Ma Lit Kin, Cary and their family members.
  
- (c) 89,803,253 shares are owned by Sharp Merit International Limited, the entire issued share capital of which is held by Dynamic Utility Limited as trustee for the Ma Family Unit Trust. The Ma Family Unit Trust is a private unit trust with 10,000 units in issue, of which 9,999 units are held by HSBC International Trustee Limited in its capacity as trustee of the Ma Family Trust and 1 unit is held jointly by Ma Lit Kin, Cary and Ma Hon Kin, Dennis. The Ma Family Trust is a discretionary trust whose objects include Ma Bo Kee, Ma Bo Fung, Ma Bo Lung, Ma Lit Kin, Cary and their family members. 1,289,721 shares are held by United Will Holdings Limited for and on behalf of Ma Lit Kin, Cary.
  
- (d) Of these 89,803,253 shares owned by Sharp Merit International Limited, 79,002,170 shares were pledged to certain money lenders.
  
- # Further details of the above share options are set out below.

**Options to subscribe for Ordinary Shares granted under the Share Option Scheme adopted on September 6, 2002**

Name of director	Date granted (day/month/year)	Number of options granted	Options	Options	Number of
			outstanding as at January 1, 2005	outstanding as at September 5, 2005	underlying shares as at September 5, 2005
Ma Bo Kee	3/1/2005	940,000	—	940,000	940,000
Ma Bo Fung	3/1/2005	940,000	—	940,000	940,000
Ma Bo Lung	3/1/2005	940,000	—	940,000	940,000
Ma Lit Kin, Cary	3/1/2005	940,000	—	940,000	940,000
So Kwan Hon, Danny	3/1/2005	200,000	—	200,000	200,000

The exercise price of the above share options is HK\$5.29.

30% of the options are exercisable for a period of 18 months after one year from the date of the grantee's acceptance of the options (the "Option Acceptance Date"). 35% of the options are exercisable for a period of 18 months after two years from the Option Acceptance Date provided that either the Strike Price (as defined below) reaches HK\$10.00 or the Adjusted Earnings per Share (as defined below) for year 2006 is at least 1.9 times of that of year 2004. 35% of the options are exercisable for a period of 18 months after three years from the Option Acceptance Date provided that either the Strike Price reaches HK\$12.00 or the Adjusted Earnings per Share for year 2007 is at least 2.0 times of that of year 2004.

All options will expire four and a half years from the Option Acceptance Date.

"Strike Price" means the average ten trading days' closing price per share on the Stock Exchange that this falls within the 18 month option period; and "Adjusted Earnings per Share" means earnings per share as defined in the Company's audited accounts before any one-time non-recurring cost and costs of exercising the option.

- (ii) To the best of the knowledge of the Provisional Liquidators, as at the Latest Practicable Date, based on the notifications received by the Company pursuant to Divisions 2 and 3 of Part XV of the SFO the following persons had an interest or short position in the Shares or underlying Shares required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were interested, directly or indirectly in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

### Long Positions in Ordinary Shares of the Company

Name of shareholder	Notes	Number of shares held	Percentage of the Company's issued share capital
HSBC International Trustee Limited ("HSBC")	1	89,853,253	16.23%
Dynamic Utility Limited ("Dynamic Utility")	2	89,803,253	16.22%
Sharp Merit International Limited ("Sharp Merit")	3	89,803,253	16.22%
Citigroup Inc. ("Citigroup")	4	51,965,072	9.38%
Arisaig Greater China Fund Limited ("Arisaig")	5	40,500,000	7.31%
Arisaig Partners (Mauritius) Ltd. ("Arisaig Mauritius")	6	40,500,000	7.31%
Lindsay William Ernest Cooper ("Cooper")	7	40,500,000	7.31%
JPMorgan Chase & Co ("JPMorgan")	8	32,570,000	5.88%
Morgan Stanley ("Morgan Stanley")	9	29,608,000	5.35%
The Capital Group Companies, Inc. ("Capital")	10	23,975,300	4.33%

*Notes:*

1. Of these 89,853,253 shares, 89,803,253 shares are held by HSBC in the capacity of trustee of the Ma Family Trust, a discretionary trust whose objects include Ma Bo Kee, Ma Bo Fung, Ma Bo Lung, Ma Lit Kin, Cary and their family members.
2. These interests are held by Dynamic Utility as trustee for the Ma Family Unit Trust. The Ma Family Unit Trust is a private unit trust with 10,000 units in issue, of which 9,999 units are held by HSBC International Trustee Limited in its capacity as trustee of the Ma Family Trust and 1 unit is held jointly by Ma Lit Kin, Cary and Ma Hon Kin, Dennis. These interests are duplicated by the interests disclosed in Note 1 above.



3. These interests are held by Sharp Merit in the capacity of nominee. The entire issued share capital of Sharp Merit is held by Dynamic Utility as trustee for the Ma Family Unit Trust. The Ma Family Unit Trust is a private unit trust with 10,000 units in issue, of which 9,999 units are held by HSBC International Trustee Limited in its capacity as trustee of the Ma Family Trust and 1 unit is held jointly by Ma Lit Kin, Cary and Ma Hon Kin, Dennis. Ma Bo Kee, Ma Lit Kin, Cary and Ma Hon Kin, Dennis are directors of Sharp Merit. These interests are duplicated by the interests disclosed in Note 1 and Note 2 above. Of these 89,803,253 shares, 79,002,170 shares were pledged to certain money lenders.
4. 47,677,800 shares of these interests are held by Citigroup in the capacity of beneficial owner and the remaining 4,287,272 shares are held in the capacity of custodian corporation/approved lending agent.
5. These interests are held by Arisaig in the capacity of beneficial owner.
6. These interest are held by Arisaig Mauritius in the capacity of investment manager. These interests are duplicated by the interests disclosed in Note 5 above.
7. These interests represent Cooper's deemed interests through his indirect 33.33% beneficial interest in Arisaig Mauritius. These interests are duplicated by the interests disclosed in Note 5 and Note 6 above.
8. Of these 32,570,000 shares, 30,220,000 shares are held by JPMorgan in the capacity of approved lending agent and the remaining 2,350,000 shares in the capacity of beneficial owner.
9. These interests are held by Morgan Stanley through corporations controlled by it.
10. These interests are held by Capital in the capacity of investment manager.

### **3. SERVICE CONTRACTS**

Save in respect of the 4 service contracts described below, to the best of the knowledge of the Provisional Liquidators, as at the Latest Practicable Date, there was no existing or proposed service contract between any of the Directors and the Company or any of its subsidiaries, other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation). Details of these 4 contracts are as follows:

**(i) Service contract relating to the employment of Ma Bo Kee as Chairman**

A four-year service contract was entered into between Ma Bo Kee and the Company's wholly-owned subsidiary Moulin Global Eyecare Services Limited (In Creditors Voluntary Liquidation) ("MGES") on 1 January 2003. Pursuant to this contract, Ma Bo Kee receives HK\$133,230 per month and a year end bonus equivalent to one month's basic salary apart from fringe benefits, such as holidays and medical insurance.

**(ii) Service contract relating to the employment of Ma Bo Fung as Vice Chairman**

A four-year service contract was entered into between Ma Bo Fung and MGES on 1 January 2003. Pursuant to this contract, Ma Bo Fung receives HK\$131,300 per month and a year end bonus equivalent to one month's basic salary apart from fringe benefits, such as holidays and medical insurance.

**(iii) Service contract relating to the employment of Ma Lit Kin Cary as Chief Executive Officer**

A four-year service contract was entered into between Ma Lit Kin Cary and MGES on 1 January 2003. Pursuant to this contract, Ma Lit Kin Cary receives HK\$78,840 per month and a year end bonus equivalent to one month's basic salary apart from fringe benefits, such as holidays and medical insurance.

**(iv) Service Contract with Ma Bo Lung**

The Provisional Liquidators have been advised that there may also be a service contract with Ma Bo Lung which may be required to be disclosed under this Section 3. To date the Provisional Liquidators have been unable to locate any record of such service contract.

**4. COMPETING INTERESTS**

To the best of the knowledge of the Provisional Liquidators, none of the Directors' or their respective associates had, as at the Latest Practicable Date, any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the Listing Rules.

**5. LITIGATION**

On 30 May 2005, the Company received a demand letter from solicitors acting for Active Base Limited (“Active Base”) seeking repayment of an alleged loan in the principal amount of HK\$50,000,000 purportedly secured by a debenture. The Company noted that it did not have copies of the purported loan agreement or the purported debenture, nor did there exist any public record of the purported debenture. The Company, through its legal advisers, received for the first time, on 7 June 2005, what purported to be an original counterpart of the purported loan agreement dated 24 February 2005, and a copy of the purported debenture dated 6 May 2005. Having reviewed the document and having taken legal advice, the Company’s position is that the purported loan and purported debenture are invalid and unenforceable.

On 9 June 2005, the Company filed a writ against Active Base seeking a declaration that the purported loan and purported debenture security are invalid, unenforceable and otherwise not binding on the Company. Active Base’s Statement of Defence is presently pending.

**6. GENERAL**

- (a) The registered office of the Company is Clarendon House, Church Street, Hamilton HM 11, Bermuda and the principal place of business is 4th Floor, Kenning Industrial Building, Kowloon Bay, Kowloon, Hong Kong.
- (b) The branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong.
- (c) Mr. Lee Kwok Ming, Don is the chief financial officer of the Company. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Chartered Institute of Management Accountants.
- (d) As at the Latest Practicable Date, the vacancy in the office of the qualified accountant has not been filled following the departure of the former qualified accountant.
- (e) Ms. Kan Siu Yim, Katie is the Company Secretary. She is an associate of the Institute of Chartered Secretaries and Administration.
- (f) The English text of this circular shall prevail over the Chinese text.