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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

Leedkeen, Best Asset and Primetime, all being indirect wholly-owned subsidiaries of the Company, entered into the Agreement on 7 August 2005 with the Purchaser, an independent third party, for the purpose of the sale of the Sale Assets for a total consideration of HK\$80,000,000.

The consideration was arrived at after arm's length negotiations between the relevant parties.

Completion of the Transaction is conditional on various conditions set out under the section headed "Conditions" of this announcement. Completion occurred on Thursday 11 August 2005.

Having regard to all the circumstances, the Provisional Liquidators consider that the terms of the Transaction are in the interests of the Company and are fair and reasonable so far as the Shareholders are concerned.

Part of the consideration will 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 the liquidators and provisional liquidators in the ordinary course of the winding-up of those companies.

The Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, information relating to the Transaction will be despatched to the Shareholders, for information only, within 21 days from the date of this announcement.

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

Reference is made to the Company's announcement dated 24 June 2005 in which the appointment of the Provisional Liquidators was disclosed.

THE AGREEMENT DATED 7 AUGUST 2005

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

Property subject to the Transaction

(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.

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 City, 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, a factory which assembled glasses pursuant to a subcontracting arrangement with the Group was situate on the Property (the “Zhongshan Factory”).

(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.

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 announcement as 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.

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) are to be forgiven. Set out below is a summary of the inter-company debts to be forgiven in accordance with the deed of release.

Debtor: Broad Global

Creditor:

| | Amount <i>HK\$</i> |
|-----------------------------|------------------------------|
| Allied Industrial Limited | 2,181,536.00 |
| Moulin Holdings (HK) Co Ltd | 8,490.00 |
| MGET | 13,964,928.28 |

Debtor: Profit Shuttle

Creditor:

| | Amount <i>HK\$</i> |
|-----------------------------|------------------------------|
| Moulin Holdings (HK) Co Ltd | 8,567.00 |
| MGET | 7,677,625.00 |
| Leadkeen | 7,505,557.82 |

Debtor: Shanghai Hillman Trading

Creditor:

| | Amount <i>HK\$</i> |
|------|------------------------------|
| MGET | 15,121,826.00 |

Debtor: Shanghai Moulin Trading

Creditor:

| | Amount <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.

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 of the Company (as defined in the Listing Rules).

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 Centres 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.

The Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. A circular containing, among other things, information relating to the Transaction will be despatched to the Shareholders, for information only, within 21 days from the date of this announcement.

As at the date of this announcement, the Chairman (Mr. Ma Bo Kee) and Chief Executive Officer (Mr. Ma Lit Kin, Cary) remain as Directors and the board of the Company comprises:

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| <i>Executive Directors:</i> | <i>Independent Non-executive Director:</i> |
| Mr. Ma Bo Kee | Mr. So Kwan Hon, Danny |
| Mr. Ma Bo Fung | |
| Mr. Ma Bo Lung | |
| Mr. Ma Lit Kin, Cary | |

Although the board comprises the above individuals, 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.

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

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

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| “Agreement” | means 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” | means Best Asset Holdings Limited, 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” | means ten thousand (10,000) issued ordinary shares being the entire issued share capital of Broad Global which are to be sold by Best Asset to the Purchaser in accordance with this Agreement; |
| “Broad Global” | means 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” | means 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 above under the heading “Chaoyang Martin Trust Assets”; |

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| “Chaoyang Martin Trust Asset” | means 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” | means 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” | means completion of the sale and purchase of the Sale Assets in accordance with the Agreement; |
| “Court” | means the High Court of Hong Kong, Court of First Instance; |
| “Directors” | means the directors of the Company; |
| “Group” | means the Company and its subsidiaries; |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Leadkeen” | means 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” | means twenty-one million (21,000,000) issued ordinary shares of RMB1 each in the capital of Shanghai Holdings to be sold by Leadkeen to the Purchaser in accordance with this Agreement; |
| “Listing Rules” | means the Rules Governing the Listing of Securities on the Stock Exchange; |
| “MGET” | means Moulin Global Eyecare Trading Limited (Provisional Liquidators Appointed), an indirect wholly-owned subsidiary of the Company, being a company incorporated in Hong Kong; |
| “PRC” | means the Peoples’ Republic of China; |
| “Primetime” | means 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” | means ten thousand (10,000) issued ordinary shares being the entire issued share capital of Profit Shuttle which are to be sold by Primetime to the Purchaser in accordance with this Agreement; |
| “Profit Shuttle” | means 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; |

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| “Property” | means the land and building owned by Leadkeen in Zhongshan City, Guangdong Province, PRC more fully described in this Announcement; |
| “Provisional Liquidators” | means, 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; |
| “Purchaser” | means 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” | means collectively, the Leadkeen Sale Shares, the Best Asset Sale Shares, the Primetime Sale Shares, the Property and the Chaoyang Martin Trust Asset; |
| “Sellers” | means collectively, Leadkeen, Best Asset and Primetime and “Seller” means any of them; |
| “Shanghai Hillman Trading” | means Shanghai Hillman Trading Ltd., a subsidiary of the Company prior to the Transaction, being a company incorporated in the PRC; |
| “Shanghai Holdings” | means Shanghai Moulin International Holdings Limited, a subsidiary of the Company prior to the Transaction, being a sino-foreign joint stock company incorporated in the PRC; |
| “Shanghai Moulin Trading” | means Shanghai Moulin Trading Company Limited, a subsidiary of the Company prior to the Transaction, being a company incorporated in the PRC; |
| “Shareholders” | means the shareholders of the Company; |
| “Stock Exchange” | means The Stock Exchange of Hong Kong Limited; |
| “Transaction” | means the sale and purchase of the Sale Assets in accordance with the terms and conditions of the Agreement; and |
| “HK\$” | means Hong Kong dollars, the lawful currency of Hong Kong. |

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

Hong Kong, 16 August 2005

** For identification purposes only*

Please also refer to the published version of this announcement in the China Daily.