

Possible Change of Control of Esprit Asia Holdings Limited

Esprit Asia Holdings Limited
(Incorporated in Bermuda with limited liability)
Hong Kong

27 April, 1996

The Board of Directors of Esprit Asia Holdings Limited ("the Company") were advised on April 25, 1996 by Esprit Far East Limited ("EFE"), the Company's controlling shareholder, that EFE, Esprit de Corp. GmbH, Esprit Holdings Inc. (together the "Esprit Worldwide Companies") and the shareholders of the Esprit Worldwide Companies have agreed to explore the potential sale of the Esprit global business, which may involve the sale of the shares and/or assets of the Esprit Worldwide Companies. The Esprit Worldwide Companies collectively conduct or control substantially all of the global distribution of fashion products sold under the ESPRIT brand name. The business conducted by the Company comprises only part of such global business. Goldman Sachs has been appointed as financial advisor to the Esprit Worldwide Companies and their shareholders in connection with the potential sale of the business conducted or controlled by the Esprit Worldwide Companies.

EFE owns approximately 68.07% of the Company's issued share capital, and accordingly, such a transaction could involve a change of control of the Company for the purposes of the Hong Kong Code on Takeovers and Mergers.

The Company understands, however, that no negotiations have been entered into with any purchaser or group of purchasers, no agreement has been reached as to the structure or terms of the potential transaction and there is no assurance that such a transaction will take place at all. It is not possible at this time to determine whether a general offer to the Company's shareholders would be required or would otherwise be made, which would depend on the structure of, and the circumstances surrounding, any such transaction. A further announcement will be made in the event that an agreement is reached with a purchaser or group of purchasers in relation to this transaction.

Any person contemplating dealing in the securities of the Company is advised to exercise caution accordingly.

By Order of the Board

Alva Chan Wai Mo

Director

Hong Kong, April 27th, 1996.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries that, to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.