

Distribution of Circular on the Acquisition of Esprit Worldwide Companies

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

December 21, 1996

Further to the announcement dated 11th December, 1996 ("**Announcement**"), the Directors (the "**Directors**") of Esprit Asia Holdings Ltd. (the "**Company**") are pleased to announce that a circular containing details of the Acquisition, including a notice of the Special General Meeting, an opinion letter from the independent financial adviser to the Independent Board Committee, an accountant's report on the EFE Group, profit forecasts for the EFE Group and the Group (including the bases and assumptions on which such forecasts were made), together with property and trademark valuations for the EFE Group, has been despatched today to shareholders of the Company.

The circular contains, inter alia, information about the pro forma adjusted net asset value of the Enlarged Group ("**Net Asset Statement**"). The Net Asset Statement of the Enlarged Group discloses, inter alia, that based on the management accounts of the Group, the unaudited profit of the Group attributable to shareholders for the three months ended 30th September, 1996 is approximately HK\$30,352,000, and that the forecast profit for the period from 1st October, 1996 to 6th January, 1997 is approximately HK\$59,715,000, such forecast is based on the estimated results of the Group in the months of October and November 1996 and the forecast results of the Group for the period from 1st December, 1996 to 6th January, 1997. As such information has not been disclosed in the past and may constitute price sensitive information, in compliance with paragraph 2 of the Listing Agreement between the Company and The Stock Exchange of Hong Kong Limited, such information is now disclosed in this announcement. Shareholders should note that the management accounts of the Group for the three months ended 30th September, 1996 and the estimated results of the Group in the months of October and November 1996 have not been audited and have not been reviewed in detail by the Directors, and the information has been extracted from the management accounts of the Group and the books of the Company solely for the purpose of compiling the Net Asset Statement. In addition, the forecast results of the Group for the period from 1st December, 1996 to 6th January, 1997 referred to above have been arrived at on certain assumptions which are consistent with those adopted for the purpose of the profit forecast of the Group which are described in detail in the circular.

Unless otherwise defined herein, all words and expressions defined in the Announcement shall bear the same meaning in this announcement.

By Order of the Board

Alva Chan Wai Mo

Director

Hong Kong, 21st December, 1996.

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