

Press Release

Insolvency proceedings opened for European EganaGoldpfeil

**- New licence contract with Joop! GmbH - Subsidiary Salamander to be sold -
- Insolvency administrator Hermann working on re-orientation to the jewellery and timepiece trade -**

Frankfurt a. M. - Offenbach, on 31 Oct. 2008. The Amtsgericht (Local Court) of Offenbach has opened the insolvency proceedings for EganaGoldpfeil Europe (Holdings) GmbH, and has appointed Mr. Ottmar Hermann as the insolvency administrator. After intensive talks, insolvency administrator Hermann was able to advance the re-organisation of EganaGoldpfeil Europe (Holdings) GmbH, and to reach important results. For instance, the licence contract for the business areas of jewellery, leather, accessories, timepieces and shoes, which had been terminated by Joop! GmbH upon filing of the insolvency application, was able to be re-concluded. Mr. Hermann said that this provided proof of the trust which the company Joop! has in EganaGoldpfeil, and thus was a very positive step for the future. The subsidiary Salamander GmbH, which is not affected by the insolvency, is presently conducting very promising talks with various interested parties regarding the sale of this old-established shoe manufacturer. Numerous well-known strategic interested parties from Germany and abroad as well as financial investors are participating in the ongoing bidding process. Salamander GmbH, with its own foreign subsidiaries, will be separated from EganaGoldpfeil Europe and sold, and is considered to be the biggest asset item, with a turnover of 190 m €, and 1,800 employees world-wide. In order to stabilise the EganaGoldpfeil group of companies, insolvency administrator Hermann is cooperating closely with the management of EganaGoldpfeil (Holdings) Limited Hong Kong. The common objective, according to Mr. Hermann, is EganaGoldpfeil group's re-orientation to the core business, i.e. to the business areas jewellery and timepieces. While the European section of the overall group mainly organises European sales and distribution, other international sales and the production are managed from Hong Kong. This part of the group is allocated to the Limited in Hong Kong.

EganaGoldpfeil group, founded in 1972 in Japan, has its registered offices in Hong Kong, and has been quoted on the Hong Kong stock exchange since 1993. The European headquarters, under the umbrella of the insolvent EganaGoldpfeil Europe (Holdings) GmbH, are located in Offenbach am Main, Germany. The group, operating under the roof of EganaGoldpfeil (Holdings) Limited since 1994, is among the leading suppliers of timepieces, jewellery, leather and lifestyle products. The brand portfolio comprises the group's own as well as licensed brands, such as Salamander, Joop!, Esprit, Cerruti, Puma, Dugena.

HERMANN Rechtsanwälte, Wirtschaftsprüfer, Steuerberater is a law firm specialising in insolvency law, re-organisation and company law, and, with its eight domestic offices, has been cooperating with international law firms in Zurich, Milan, Amsterdam and London for years. The law firm also is a member of Lawyers Associated Worldwide (LAW).