EXCEPTIONAL PRICE MOVEMENT AND PLACING OF EXISTING SHARES

The directors of the Company have noted the increase in the price of the Shares today and wish to state that they are not aware of any reasons for such increase.

The Company has been informed today by the Vendor, a non-executive director and shareholder of the Company, that the Placing Agreement has been concluded pursuant to which the Placing Agent will place, subject to conditions, 20,000,000 Shares to independent investors at the Placing Price of HK$28.80 per Placing Share. The Placing Shares represent approximately 1.68% of the existing issued share capital of the Company.

Completion of the Placing:
Completion of the Placing is currently expected to take place on February 17, 2004.

The directors of the Company also confirm that there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

Made by the order of the Board the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

Definitions
“Company” Espirit Holdings Limited, a limited liability company incorporated under the laws of Bermuda, the Shares of which are listed on the Stock Exchange
“Board” the board of directors of the Company
“Listing Rules” the Rules Governing the Listing of Securities on the Stock Exchange
“Placing Agent” J.P. Morgan Securities (Asia Pacific) Limited
“Placing Agreement” the placing and underwriting agreement dated February 12, 2004 between the Vendor and the Placing Agent
“Placing Shares” 20,000,000 Shares beneficially owned by the Vendor
“Shares” ordinary shares of HK$0.10 each in the share capital of the Company
“Stock Exchange” The Stock Exchange of Hong Kong Limited
“Vendor” Jurgen Friedrich, a non-executive director of the Company

By Order of the Board
John Poon Cho Ming
Executive Director

Hong Kong, February 12, 2004

This announcement can also be accessed through our internet site at www.espritholdings.com