



ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(STOCK CODE: 330)

APPOINTMENT OF NEW CHAIRMAN, RE-APPOINTMENT OF DEPUTY CHAIRMAN, RE-DESIGNATION OF DIRECTOR AND CHANGES TO MEMBERS OF VARIOUS BOARD COMMITTEES

The Board of Directors (the “**Board**”) of Esprit Holdings Limited (the “**Company**”) announces that Mr. Heinz Jürgen Krogner-Kornalik, an Executive Director and the Group Chief Executive Officer has been unanimously elected as Chairman of the Board and Mr. John Poon Cho Ming, an Executive Director, the Group Chief Financial Officer and Company Secretary has been unanimously re-elected as Deputy Chairman of the Board pursuant to s.127 (2) of the Bye-laws of the Company with effect from December 5, 2006.

The Board also announces that Mr. Michael Ying Lee Yuen has been re-designated from an Executive Director to a Non-executive Director of the Company, with effect from December 5, 2006.

The Board also announces changes to the members of the Nomination Committee, Remuneration Committee and General Committee with effect from December 5, 2006.

The Board of the Company announces that Mr. Heinz Jürgen Krogner-Kornalik, an Executive Director and the Group Chief Executive Officer has been unanimously elected as Chairman of the Board and Mr. John Poon Cho Ming, an Executive Director, the Group Chief Financial Officer and Company Secretary has been unanimously re-elected as Deputy Chairman of the Board pursuant to s.127 (2) of the Bye-laws of the Company with effect from December 5, 2006.

The Board also announces that Mr. Michael Ying Lee Yuen has been re-designated from an Executive Director to a Non-executive Director of the Company, with effect from December 5, 2006.

Heinz Jürgen Krogner-Kornalik, aged 65, is the Chief Executive Officer of the Group. He has been with the Group since January 1995. He possesses a degree in business administration and industrial engineering. He was a consultant with Kurt Salmon Associates in a variety of areas, including production, organization, marketing, strategy and brand positioning, as well as with several textile firms, always in executive positions, before joining the Group. Mr. Krogner-Kornalik has not held any position in any other listed public company within the past three years.

Mr. Krogner-Kornalik does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company. As at the date of this announcement, apart from holding 3,800,000 share options and 2,000,000 Shares in the Company, Mr. Krogner-Kornalik has no other interests (within the meaning of Part XV of the Securities and Futures Ordinance) in the Shares of the Company.

Mr. Krogner-Kornalik has entered into a service contract with the Company that does not provide for a fixed period of services and can be terminated by the Company by giving 4 months' notice. Mr. Krogner-Kornalik's directorship is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company. The amount of emoluments payable to Mr. Krogner-Kornalik is determined by reference to his qualification and experience. The total amount of Mr. Krogner-Kornalik's emoluments, inclusive of various allowances, discretionary bonus and benefits in kind, was approximately HK\$62,926,000 for the financial year ended June 30, 2006, among which share option benefits of HK\$16,470,000 is not covered by his service contract with the Company. Details of the emoluments of Mr. Krogner-Kornalik for the financial year ended June 30, 2006 are set out in note 13 to financial statements for the financial year ended June 30, 2006 contained in the annual report of the Company.

Michael Ying Lee Yuen, aged 57, had been Chairman of the Board since 1993. Mr. Ying has over 30 years' experience in the apparel industry. Mr. Ying has not held any position in any other listed public company within the past three years.

Mr. Ying does not have any relationship with any director, member of senior management or other substantial or controlling shareholder of the Company. As at the date of this announcement, Mr. Ying is interested in 106,208,352 Shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance, and represented approximately 8.64 per cent. of the total share capital of the Company as at such date.

Mr. Ying's service contract in respect of his role as Chairman and Executive Director was terminated on December, 5 2006. Mr. Ying does not have a service contract with the Company as a Non-executive Director. Mr. Ying has no fixed term of service with the Company but is subject to retirement by rotation and re-election at general meetings of the Company in accordance with the Bye-laws of the Company. Mr. Ying is entitled to a director's fee which is HK\$200,000 per annum for his directorship. Mr. Ying's director's fee has been determined by reference to the level of remuneration for non-executive directors of Hong Kong listed companies and the demand of the Company on Mr. Ying's attention as a Non-executive Director.

The Board would like to express its sincere appreciation to Mr. Ying for his valuable contribution to the Company during his tenure of office as Chairman of the Board and looks forward to his continued advice and support in the future.

Save as disclosed herein, there are no other matters with respect to the re-designations of Mr. Krogner-Kornalik and Mr. Ying that need to be brought to the attention of the shareholders of the Company and there is no information required to be disclosed pursuant to any of the requirements of rules 13.51 (2)(h)-(v) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Board also announces that there have been changes to the members of the Nomination Committee, Remuneration Committee and General Committee. With effect from December 5, 2006, the Nomination Committee comprises Mr. Heinz Jürgen Krogner-Kornalik, Mr. John Poon Cho Ming, Mr. Paul Cheng Ming Fun, Mr. Alexander Reid Hamilton and Mr. Raymond Or Ching Fai; the Remuneration Committee comprises Mr. Heinz Jürgen Krogner-Kornalik, Mr. Paul Cheng Ming Fun, Mr. Alexander Reid Hamilton and Mr. Raymond Or Ching Fai; and the General Committee comprises Mr. Heinz Jürgen Krogner-Kornalik, Mr. John Poon Cho Ming and Mr. Thomas Johannes Grote. There have been no changes to the Audit Committee which comprises Mr. Jürgen Alfred Rudolf Friedrich, Mr. Paul Cheng Ming Fun, Mr. Alexander Reid Hamilton and Mr. Raymond Or Ching Fai.

By Order of the Board
John Poon Cho Ming
Deputy Chairman

Hong Kong, December 5, 2006

As at the date of this announcement, the Board comprises (i) Mr. Heinz Jürgen Krogner-Kornalik, Mr. John Poon Cho Ming, Mr. Thomas Johannes Grote and Mr. Jerome Squire Griffith as executive directors; (ii) Mr. Paul Cheng Ming Fun, Mr. Alexander Reid Hamilton and Mr. Raymond Or Ching Fai as independent non-executive directors; and (iii) Mr. Michael Ying Lee Yuen and Mr. Jürgen Alfred Rudolf Friedrich as non-executive directors.

“Please also refer to the published version of this announcement in The Standard”