
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of the proposals referred to in this circular or as to the action you should take, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your shares in Esprit Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

ESPRIT
ESPRIT HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(STOCK CODE: 00330)

**GENERAL MANDATES TO ISSUE NEW SHARES
AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at Gloucester Room, 2/F, Hotel Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on Thursday, December 11, 2008 at 4:00 p.m. or any adjournments of the meeting, at which the proposed resolutions as stated in the aforesaid notice will be considered, is contained in pages 15 to 18 of this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the form of proxy enclosed with this circular, in accordance with the instructions printed on it, as soon as possible and in any event so that it is received not less than 48 hours before the time of the Annual General Meeting by the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong. Completion and delivery of the form of proxy shall not preclude you from attending and voting at the Annual General Meeting should you so wish.

Hong Kong, October 29, 2008

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at Gloucester Room, 2/F, Hotel Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong on December 11, 2008 at 4:00 p.m. or any adjournment thereof
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company
“Company”	Esprit Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the proposed general mandate to be granted to the Directors to allot, issue and deal with Shares not exceeding 5 per cent. of the total nominal share capital of the Company as at the date of passing of the relevant resolution at the Annual General Meeting, save that the Directors are proposed to be granted a further general mandate to issue additional shares not exceeding 10 per cent. of the total nominal share capital of the Company as at the date of passing of the relevant resolution at the Annual General Meeting where such issuance is for the purpose of an acquisition or where the consideration for such issuance is otherwise than wholly in cash
“Latest Practicable Date”	October 29, 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information included in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Member(s)” or “Shareholder(s)”	duly registered holder(s) of the Shares
“PRC”	the People’s Republic of China

DEFINITIONS

“Repurchase Mandate”	the proposed general mandate to be granted to the Directors to repurchase fully paid Shares and any securities which carry a right to subscribe for or purchase Shares not exceeding 10 per cent. of the issued share capital of the Company and 10 per cent. of such issued securities or any relevant class thereof, respectively, as at the date of passing of the relevant resolution at the Annual General Meeting
“Share(s)”	share(s) in the capital of the Company with a par value of HK\$0.10 each
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD

ESPRIT
ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(STOCK CODE: 00330)

Executive Directors:

Heinz Jürgen KROGNER-KORNALIK *(Chairman)*
Thomas Johannes GROTE
Jerome Squire GRIFFITH

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Paul CHENG Ming Fun * *(Deputy Chairman)*
Jürgen Alfred Rudolf FRIEDRICH
Alexander Reid HAMILTON *
Dr. Hans-Joachim KÖRBER *
Raymond OR Ching Fai *

Principal Place of Business:

43/F., Enterprise Square Three
39 Wang Chiu Road
Kowloon Bay
Kowloon
Hong Kong

** Independent Non-executive Directors*

October 29, 2008

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE NEW SHARES
AND TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you information regarding the resolutions to be proposed at the Annual General Meeting to enable you to make an informed decision on whether to vote for or against the resolutions. The resolutions include (i) the granting to the Directors of the Repurchase Mandate; (ii) the granting to the Directors of the Issue Mandate; and (iii) the re-election of the retiring Directors.

The purpose of this circular is to (a) provide you with details of the Repurchase Mandate and the Issue Mandate; (b) present the proposal for the re-election of the retiring Directors; and (c) give you notice of the Annual General Meeting.

LETTER FROM THE BOARD

GENERAL MANDATE TO REPURCHASE SHARES (*Resolution 6*)

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general mandate to exercise all powers of the Company to repurchase issued shares in the share capital of the Company subject to the criteria set out in this circular. In particular, Shareholders should note that the maximum number of shares that may be repurchased pursuant to the Repurchase Mandate will be such number not exceeding 10 per cent. of the total nominal amount of the share capital of the Company in issue as at the date of passing of the resolution. The Repurchase Mandate will end on the earliest of the conclusion of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law or the Bye-laws and the date on which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

The Directors seek the approval of the Shareholders for the grant of the Repurchase Mandate in accordance with the requirements set out in the Listing Rules. An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate is set out in Appendix I of this circular.

GRANTING OF THE ISSUE MANDATE (*Resolutions 7 & 8*)

(i) Purpose of the Issue Mandate

At the Annual General Meeting, an ordinary resolution will be proposed to grant the Directors a general and unconditional mandate to issue further shares not exceeding 5 per cent. of the total nominal share capital of the Company as at the date of passing of the resolution, save that the Directors shall be granted a further general mandate to issue additional shares not exceeding 10 per cent. of the total nominal share capital of the Company as at the date of passing of the resolution where such issuance is for the purpose of an acquisition or where the consideration for such issuance is not wholly in cash. The Issue Mandate will end on the earliest of the conclusion of the next annual general meeting, the date on which such authority is revoked or varied by ordinary resolution of the Company in general meeting or the date by which the next annual general meeting of the Company is required to be held by law or the Bye-laws.

The purpose of the Issue Mandate is to enable the Directors to issue new Shares without having first to obtain the consent of Shareholders in general meeting. The need for such an issue of Shares could arise, for example, in the context of a transaction which had to be completed in a timely manner, such as the acquisition of a company. The Board is of the view that the granting of such authorities is now commonplace, and it would be in the interests of the Company if the authorities were granted.

(ii) Raising Restrictions on Discounts from 20 per cent. to 10 per cent.

The Board draws the attention of Shareholders to the relevant provisions of the Listing Rules regarding the Issue Mandate, in particular the restriction on discounts and restrictions on refreshments set out in rules 13.36(5) and 13.36(4) of the Listing Rules respectively. Broadly, these rules provide

LETTER FROM THE BOARD

that (a) where securities are being placed for cash consideration, the Company may not issue any securities pursuant to the Issue Mandate at a discount of 20 per cent. or more to the benchmarked price of such securities; and (b) any refreshments of the Issue Mandate before the next annual general meeting of the Company is subject to the prior approval of Shareholders in a general meeting.

The Company being fully committed to high corporate governance standards, the Directors will further raise the restriction on discounts from 20 per cent. or more to 10 per cent. or more, so that the Company may not issue any securities pursuant to the Issue Mandate at a discount of 10 per cent. or more.

The full text of rules 13.36(4) and 13.36(5) of the Listing Rules is set out below.

“(4) Where the issuer has obtained a general mandate from its shareholders pursuant to rule 13.36(2)(b), any refreshments of the general mandate before the next annual general meeting shall be subject to the following provisions:

- (a) any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour;*
- (b) the Exchange reserves the right to require the following parties to abstain from voting in favour of the relevant resolution at the general meeting:*
 - (i) any parties who were controlling shareholders of the issuer at the time the decision to seek a refreshment of the mandate was made or approved by the board, and their associates; or*
 - (ii) where there were no such controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer at the time the decision to seek a refreshment of the mandate was made or approved by the board, and their respective associates;*
- (c) the issuer must comply with the requirements set out in rules 13.39(4), (5), (6) and (7), 13.40, 13.41 and 13.42;*
- (d) the relevant circular to shareholders must contain information relating to the issuer’s history of refreshments of mandate since the last annual general meeting, the amount of proceeds raised from the utilisation of such mandate, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount. The circular must also contain information required under rule 2.17; and*
- (e) where the issuer offers or issues securities to its shareholders pro rata to their existing holdings (including where overseas shareholders are excluded for legal or regulatory reasons), it will not be necessary for the issuer to comply with rules 13.36(4)(a), (b) or (c) in order for it to refresh its general mandate immediately thereafter such that the amount*

LETTER FROM THE BOARD

in percentage terms of the unused part of the general mandate upon refreshment is the same as the unused part of the general mandate immediately before the issue of securities. In such cases, it need only obtain approval from its shareholders and comply with rule 13.36(4)(d).

(5) *In the case of a placing of securities for cash consideration, the issuer may not issue any securities pursuant to a general mandate given under rule 13.36(2)(b) if the relevant price represents a discount of 20% or more to the benchmarked price of the securities, such benchmarked price being the higher of:*

(a) *the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and*

(b) *the average closing price in the 5 trading days immediately prior to the earlier of:*

(i) *the date of announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;*

(ii) *the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and*

(iii) *the date on which the placing or subscription price is fixed,*

unless the issuer can satisfy the Exchange that it is in a serious financial position and that the only way it can be saved is by an urgent rescue operation which involves the issue of new securities at a price representing a discount of 20% or more to the benchmarked price of the securities or that there are other exceptional circumstances. The issuer shall provide the Exchange with detailed information on the allottees to be issued with securities under the general mandate.”

The Board recommends that Shareholders refer to rule 13.36 of the Listing Rules for further information.

(iii) *Other Information on the Issue Mandate*

Other than pursuant to any option scheme or similar arrangement of the Company for the granting or issuance of Shares or rights to acquire Shares, the Board has no present intention to grant or issue any further Shares.

Subject to the passing of the ordinary resolutions of the Repurchase Mandate and the Issue Mandate (referred to above), an ordinary resolution will also be proposed to authorise the Directors to issue shares in the capital of the Company in an amount not exceeding the aggregate nominal amount of the shares in the capital of the Company purchased pursuant to the Repurchase Mandate.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS (*Resolution 4*)

According to Bye-law 87(1), at each annual general meeting, the Directors for the time being of the Company shall retire by rotation as follows:

- (a) at least one-third of the Directors (or if the number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation. In this regard, the Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation under this paragraph) any Director who wishes to retire and not to offer himself for re-election. Any further Director so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation under this paragraph; and
- (b) any Director (not already obliged to retire by rotation under paragraph (a) above) who at such annual general meeting, shall have been a Director at each of the preceding two general meetings of the Company and who was not elected or re-elected at any such annual general meeting, and who has not otherwise ceased to be a Director (whether by resignation, retirement, removal or otherwise) and has not been re-elected at a general meeting of the Company at or since any of the preceding two annual general meetings of the Company aforementioned.

Pursuant to Bye-law 87(2), a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires.

Pursuant to Bye-law 86(2), the Board may appoint any person who is willing to act to be a Director, either to fill a casual vacancy or as an addition to the existing board, but so that the total number of Directors shall not at any time exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed shall retire at the first general meeting after their appointment and shall then be eligible for election.

In accordance with Bye-laws 87(1) and (2), Mr. Thomas Johannes Grote and Mr. Raymond Or Ching Fai will retire from office by rotation and, being eligible, will offer themselves for re-election at the Annual General Meeting. In addition, in accordance with Bye-law 86(2), Dr. Hans-Joachim Körber, being director appointed by the Board after the Company's annual general meeting held on December 4, 2007, will hold office until the Annual General Meeting pursuant to Bye-law 86(2) and, being eligible, will offer himself for re-election at the Annual General Meeting.

Details of the Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix II of this circular.

LETTER FROM THE BOARD

The Nomination Committee has assessed the independency of Mr. Or who has been Independent Non-executive Director of the Company for over nine years and considered Mr. Or continues to be independent. The Company has received confirmation from Mr. Or and Dr. Körber as to their independence in compliance with the requirements of the Listing Rules.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 15 to 18 of this circular. At the Annual General Meeting, ordinary resolutions will be proposed to approve, among other matters, the granting of the Repurchase Mandate, the granting of the Issue Mandate and the re-election of retiring Directors.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed on it and return it to the branch share registrar of the Company in Hong Kong, Tricor Secretaries Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong so as to be received not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

RIGHT TO DEMAND POLL

In accordance with the Company's Bye-laws, resolutions proposed at the Annual General Meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the designated stock exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of the Annual General Meeting; or
- (b) by at least three Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the Annual General Meeting; or
- (c) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Annual General Meeting; or
- (d) by a Member or Members present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the Annual General Meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Board considers that the Repurchase Mandate and the Issue Mandate are in the best interests of the Company and the Shareholders as a whole and accordingly recommends you to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

The Directors are pleased to recommend Mr. Thomas Johannes Grote, Mr. Raymond Or Ching Fai and Dr. Hans-Joachim Körber for re-election as Directors at the Annual General Meeting.

RESPONSIBILITY STATEMENT

This circular contains particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement in respect thereof misleading.

Yours faithfully,
For and on behalf of the Board
Esprit Holdings Limited
Heinz Jürgen Krogner-Kornalik
Chairman

APPENDIX I EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Repurchase Mandate.

SHARE CAPITAL

As at the Latest Practicable Date, the entire issued share capital of the Company comprised 1,243,064,934 Shares of HK\$0.10 each. On the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Repurchase Mandate, if granted, would allow the Company to repurchase up to 124,306,493 Shares (which represent 10 per cent. of the Shares in issue as at the Latest Practicable Date) during the period ending on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by law and the date upon which such authority is revoked or varied.

REASONS FOR REPURCHASES

The Directors believe that it is in the interests of the Company and its Shareholders to seek a general authority from the Shareholders to enable the Directors to repurchase Shares in the market.

Repurchases may, depending on market conditions and funding arrangements at the time, result in an enhancement of the net assets and/or earnings per Share. The Directors are seeking the grant of the Repurchase Mandate to give the Company the flexibility to repurchase shares if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which they are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then prevailing.

FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases will be made out of funds which are legally available for such purpose in accordance with all applicable laws of Bermuda and the memorandum of association and the Bye-laws of the Company.

Under Bermuda law, share repurchases may only be made out of the capital paid up on the relevant shares or out of the funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purposes of the repurchase. Any premium payable may only be provided for out of funds of the Company which would otherwise be available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased.

Based on the audited consolidated financial statements of the Company as at June 30, 2008 (being the date to which the latest published audited financial statements of the Company have been made up), the Directors consider that the exercise in full of the Repurchase Mandate during the proposed Repurchase Mandate period might have a material adverse impact on the working capital position or gearing position of the Company. The Directors do not propose to make any share repurchases to the extent that it would, in the circumstances, have a material adverse impact on the working capital or gearing position of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

APPENDIX I EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE

SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
October	133.00	112.00
November	130.90	104.90
December	123.30	100.90
2008		
January	116.00	81.50
February	109.00	92.50
March	100.30	83.70
April	99.00	87.50
May	98.00	89.50
June	92.20	80.20
July	87.00	76.20
August	85.00	64.50
September	64.35	44.20
October (up to the Latest Practicable Date)	51.90	28.05

REPURCHASE OF SHARES

The Company has purchased a total of 2,615,500 Shares on the Stock Exchange during the six months immediately preceding the Latest Practicable Date and details of which are as follows:

Date of repurchase	Number of Shares repurchased	Price per Share	
		Highest <i>HK\$</i>	Lowest <i>HK\$</i>
July 14, 2008	1,647,900	78.00	76.85
July 15, 2008	888,700	78.40	76.55
July 24, 2008	78,900	86.00	84.90
	<u>2,615,500</u>		

APPENDIX I EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE

EFFECT OF THE TAKEOVERS CODE

A repurchase of Shares by the Company may result in an increase in a Shareholder's proportionate interest in the voting rights of the Company, which may in certain circumstances give rise to an obligation for the relevant Shareholder(s) to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Capital Research and Management Company, the Company's largest single Shareholder, held 212,701,500 Shares, representing approximately 17.11% of the issued share capital of the Company as at such date.

On the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting and in the event that the Directors exercise in full the Repurchase Mandate at the date of the Annual General Meeting, the attributable interest of Capital Research and Management Company in the Company would be increased to approximately 19.01% of the total issued share capital of the Company. Accordingly, the Directors are not aware of any consequences that would give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code in the event that the Repurchase Mandate is exercised in full.

DIRECTORS AND THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate, in the event the Repurchase Mandate is approved by the Shareholders.

No connected persons (as defined in the Listing Rules) of the Company have notified the Company that they have a present intention to sell Shares to the Company and no such persons have undertaken not to sell any Shares held by them to the Company, in the event the Repurchase Mandate is approved by the Shareholders.

UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules, all applicable laws of Bermuda and the memorandum of association and the Bye-laws of the Company.

APPENDIX II PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION

Thomas Johannes Grote, aged 45, is President of the Esprit brand. In addition to acting as a major player in formulating and setting the global strategy of the Esprit brand, Mr. Grote is responsible for ensuring proper execution of such global strategy. He is also responsible for overseeing all aspects of the Group's operations, including the Group's wholesale, retail and licensing business. Mr. Grote has been with the Group for more than 14 years and during this time, has been overseeing the significant development and growth of the Group. He completed business college in 1983 and has over 20 years of experience in the fashion and textile industry. Mr. Grote has not held any position in any other listed public company within the past three years.

Mr. Grote does not have a relationship with any director, member of senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, apart from holding 3,080,000 share options in the Company, Mr. Grote does not have any other interests in the Shares (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571)).

Mr. Grote has entered into service contract with a member of the Group that does not provide for a fixed period of service and can be terminated by the employing company by giving a notice period of not more than one year. Mr. Grote's directorship is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. The total amount of Mr. Grote's basic salary is €700,000 per annum. Mr. Grote is also eligible for an annual discretionary bonus based on his performance and is entitled to a club membership. Mr. Grote's emoluments have been determined by the Company with reference to the level and/or remuneration package normally granted by employers comparable in size and stature to the Company to senior executives of comparable calibre and job responsibilities.

Raymond Or Ching Fai, aged 58, was appointed an Independent Non-executive Director of the Company in 1996. He is the Vice Chairman and Chief Executive of Hang Seng Bank Limited, a director of The Hongkong and Shanghai Banking Corporation Limited, Cathay Pacific Airways Limited, Hutchison Whampoa Limited, 2009 East Asian Games (Hong Kong) Limited and Chairman of Hang Seng Life Limited. Save as disclosed above, Mr. Or has not held any position in any other listed public company within the past three years.

Mr. Or does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Or does not have any interests (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571)) in the Shares.

Mr. Or does not have a service contract with the Company. Mr. Or has no fixed term of service with the Company but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Or is entitled to a director's fee which is HK\$650,000 per annum in respect of the financial year commencing July 1, 2007, comprising HK\$350,000 for his directorship and an additional HK\$75,000 for each Board Committee seat and HK\$150,000 for acting as chairman of a Board Committee. Mr. Or'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 for Mr. Or's attention as one of its Independent Non-executive Directors. Mr. Or is the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nomination Committee of the Company.

APPENDIX II PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION

Hans-Joachim Körber, aged 62, was appointed an Independent Non-Executive Director in May 2008. Dr. Körber has 32 years of experience in finance & accounting, controlling, logistics and IT, including 23 years of experience in retailing. He graduated as Master Brewer in brewing technology and earned a doctor degree in business management from Technical University of Berlin, Germany. Dr. Körber was the former Chairman and Chief Executive Officer of Metro AG, one of the world's largest retailers, until his retirement at the end of 2007. He is a director of Air Berlin PLC, Skandinaviska Enskilda Banken AB and Sysco Corporation. Save as disclosed above, Dr. Körber has not held any position in any other listed public company within the past three years.

Dr. Körber does not have any relationship with any director, member of senior management or substantial or controlling shareholder of the Company. As at the Latest Practicable Date, Dr. Körber does not have any interests (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571)) in the Shares.

Dr. Körber does not have a service contract with the Company. Dr. Körber has no fixed term of service with the Company but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Dr. Körber is entitled to a director's fee which is HK\$575,000 per annum, comprising HK\$350,000 for his directorship and an additional HK\$75,000 for each Board Committee seat. Dr. Körber'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 for Dr. Körber's attention as one of its Independent Non-executive Directors. Dr. Körber is a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company.

Save as disclosed above, as at the Latest Practicable Date, there are no other matters concerning the re-election of Mr. Grote, Mr. Or and Dr. Körber that need to be brought to the attention of the Shareholders and there is no other information that is required to be disclosed pursuant to rules 13.74 and 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING

ESPRIT
ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(STOCK CODE: 00330)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Esprit Holdings Limited will be held at Gloucester Room, 2/F, Hotel Mandarin Oriental Hong Kong, 5 Connaught Road, Central, Hong Kong, on December 11, 2008 at 4:00 p.m. for the purpose of transacting the following business:

As ordinary business:

- (1) To receive and consider the audited consolidated financial statements and the Reports of the Directors and Auditors of the Group for the year ended June 30, 2008.
- (2) To approve a final dividend of 1.15 Hong Kong dollar per Share for the year ended June 30, 2008.
- (3) To approve a special dividend of 2.10 Hong Kong dollar per Share for the year ended June 30, 2008.
- (4) (a) To re-elect the following persons as directors of the Company:
 - (i) Mr. Thomas Johannes Grote;
 - (ii) Mr. Raymond Or Ching Fai; and
 - (iii) Dr. Hans-Joachim Körber.
- (b) To authorise the board of directors to fix the directors' remuneration.
- (5) To re-appoint Messrs. PricewaterhouseCoopers as Auditors at remuneration to be determined by the directors of the Company.

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And as special business, to consider and, if thought fit, to pass with or without modification, the following resolutions (6) to (8) as ordinary resolutions:

ORDINARY RESOLUTIONS

(6) “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase shares of the Company (“**Shares**”) and any securities which carry a right to subscribe for or purchase Shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of Shares which may be purchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company, and the total number of any securities which carry a right to subscribe for or purchase Shares which may be purchased pursuant to the approval in paragraph (a) above shall not exceed 10 per cent. of such securities of the Company (or any relevant class thereof), in each case in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meetings; or
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held.”

(7) “**THAT:**

- (a) subject to the restriction on discounts and restriction on refreshment of this mandate as stated in the circular to the shareholders of the Company dated October 29, 2008 and subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to issue, allot and deal with additional shares of the Company (“**Shares**”) and to make or grant offers, agreements and options during the Relevant Period which would or might require Shares to be issued, allotted or dealt with during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the total nominal amount of additional Shares issued, allotted, dealt with or agreed conditionally or unconditionally to be issued, allotted or dealt with, pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below), or (ii) any option scheme or similar arrangement of the Company for the granting or issuance of Shares or rights to acquire Shares, or (iii) the exercise of rights of subscription or conversion under the terms of any warrants issued or to be issued by the Company or any securities which are convertible into shares of the Company, or (iv) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with the Bye-laws of the Company, shall not exceed: (i) 5 per cent. of the total nominal amount of the share capital of the Company in issue as at the date of passing of this resolution; or (ii) where such issuance is for the purpose of an acquisition or where consideration for such issuance is otherwise than wholly in cash, 10 per cent. of the total nominal amount of the share capital of the Company in issue as at the date of passing of this resolution; and
- (c) for the purposes of this resolution:
- (i) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:
- (a) the conclusion of the next annual general meeting of the Company;
- (b) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meetings; or
- (c) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held;
- (ii) “**Rights Issue**” means an offer of Shares open for a period fixed by the directors of the Company to the holders of Shares or any class thereof on a fixed record date in proportion to their then holdings of Shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

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- (8) “**THAT** subject to the passing of the resolutions numbers (6) and (7) set out in the notice of general meeting of which this resolution forms part, the general mandate granted to the directors of the Company to issue, allot and deal with any additional shares of the Company (“**Shares**”) pursuant to resolution number (7) above be and is hereby extended by the addition thereto of the total nominal amount of Shares which may be purchased by the Company under the authority granted pursuant to resolution number (6) above, provided that such amount of Shares so purchased shall not exceed 10 per cent. of the total nominal amount of the share capital of the Company in issue as at the date of passing of this resolution.”

By order of the Board
Esprit Holdings Limited
Bella Chhoa Peck Lim
Company Secretary

Hong Kong, October 29, 2008

Principal place of business in Hong Kong:

43/F., Enterprise Square Three
39 Wang Chiu Road
Kowloon Bay
Kowloon
Hong Kong

Notes:

- (a) The Register of Members of the Company will be closed from Friday, November 28, 2008 to Thursday, December 11, 2008, during such period no transfer of Shares of the Company can be registered.
- (b) The Directors have recommended a final dividend of HK\$1.15 per Share and a special dividend of HK\$2.10 per Share.
- (c) Any Member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each such proxy is appointed. A form of proxy for use in connection with the Annual General Meeting is enclosed with the circular to Shareholders dated October 29, 2008.
- (d) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding of the Annual General Meeting or adjourned meeting.
- (e) In order to qualify for the final and special dividends mentioned above, all transfers accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at the address given in Note (d) above not later than 4:00 p.m. on Thursday, November 27, 2008.
- (f) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.