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ESPRIT

ESPRIT HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

EXCEPTIONAL PRICE MOVEMENT AND PLACING OF EXISTING SHARES BY A SUBSTANTIAL SHAREHOLDER

The directors of the Company have noted the recent increase in the price of the Shares and wish to state that they are not aware of any reasons for such increase save as disclosed in this announcement.

The Company has been informed by Mr. Ying, the Chairman and controlling shareholder of the Company that the Placing Agreement has been concluded pursuant to which the Placing Agent will place, subject to conditions, 50,000,000 Shares to independent investors at the Placing Price of HK\$23.94 per Placing Share. The Placing Shares represent approximately 4.2% of the existing issued share capital of the Company. Upon completion of the placing, Mr. Ying's interests in the Company will be reduced from 452,926,352 Shares to 402,926,352 Shares or approximately 38.04% to 33.84% of the existing issued share capital of the Company.

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The Company has been informed by Mr. Michael Ying Lee Yuen (**Mr. Ying**), the Chairman and controlling shareholder of the Company, that a placing agreement dated October 2, 2003 (**Placing Agreement**) has been concluded on the terms summarised below.

Parties:

The parties to the Placing Agreement are:

- (1) Mr. Ying;
- (2) Great View International Limited, a company incorporated under the laws of the British Virgin Islands (**Great View**) and wholly-owned by Mr. Ying; and
- (3) Credit Suisse First Boston (Hong Kong) Limited (**Placing Agent**), who is not a connected person of the Company as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (**Listing Rules**).

Mr. Ying is the Chairman and controlling shareholder of the Company and holds, through Great View, 452,926,352 shares of HK\$0.10 each in the capital of the Company (Shares), representing approximately 38.04% of the existing issued share capital of the Company.

Placees:

The placees of the placing (the **Placing**) will be independent investors who are not connected persons of the Company as defined in the Listing Rules.

Number of Placing Shares:

50,000,000 Shares (**Placing Shares**), representing approximately 4.2% of the existing issued share capital of the Company.

Placing Price:

HK\$23.94 per Placing Share, representing a discount of approximately 5% to the closing price of HK\$25.20 per Share as quoted on The Stock Exchange of Hong Kong Limited on Thursday, October 2, 2003.

Conditions of the Placing:

The Placing is conditional upon, *inter alia*, there having been, prior to completion of the Placing, no breach of the representations, warranties and undertakings given by Great View.

Completion of the Placing:

Completion of the Placing is currently expected to take place on October 7, 2003.

Upon completion of the placing, Mr. Ying's interests in the Company, all of which are held through Great View, will be reduced from 452,926,352 Shares to 402,926,352 Shares or approximately 38.04% to 33.84% of the existing issued share capital of the Company.

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.

By Order of the Board
John Poon Cho Ming
Executive Director

Hong Kong, October 2, 2003

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