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ESPRIT

ESPRIT HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

PLACING OF EXISTING SHARES BY A SUBSTANTIAL SHAREHOLDER

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, 42,500,000 Shares to independent investors at the Placing Price of HK\$14.7 per Placing Share. The Placing Shares represent approximately 3.6% 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 495,426,352 Shares to 452,926,352 Shares or approximately 42.0% to 38.4% of the existing issued share capital of the Company.

The Company has been informed by Mr. Ying, the Chairman and controlling shareholder of the Company, that a placing agreement dated May 8, 2003 (**Placing Agreement**) has been concluded on the terms summarised below.

Parties:

The parties to the Placing Agreement are:

- (1) Michael Ying Lee Yuen (**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) Merrill Lynch Far East Limited (**Placing Agent**).

Mr. Ying is the Chairman and controlling shareholder of the Company and holds, through Great View, 495,426,352 shares of HK\$0.10 each in the capital of the Company (**Shares**), representing approximately 42.0% of the existing issued share capital of the Company.

Places:

The places of the placing (the **Placing**) will be independent investors who are not connected persons of the Company as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Number of Placing Shares:

42,500,000 Shares (**Placing Shares**), representing approximately 3.6% of the existing issued share capital of the Company.

Placing Price:

HK\$14.7 per Placing Share, representing a discount of approximately 4.2% to the closing price of HK\$15.35 per Share as quoted on The Stock Exchange of Hong Kong Limited on May 7, 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 and Mr. Ying and no occurrence of an event of force majeure.

Completion of the Placing:

May 12, 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 495,426,352 Shares to 452,926,352 Shares or approximately 42.0% to 38.4% of the existing issued share capital of the Company.

By Order of the Board
John Poon Cho Ming
Executive Director

Hong Kong, May 9, 2003

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