
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, 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim 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 REPURCHASE SHARES
AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS,
SCRIP DIVIDEND REINVESTMENT SCHEME FOR FINAL DIVIDEND,
INCREASE IN AUTHORISED SHARE CAPITAL
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of the Company to be held at Harcourt Room, Lobby Level, Conrad Hong Kong Hotel, Pacific Place, 88 Queensway, Admiralty, Hong Kong on 6 December 2012 at 2:30 pm or any adjournment of the meeting, at which the proposed resolutions as stated in the aforesaid notice will be considered, is contained in pages 21 to 24 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, together with the power of attorney or other authority (if any) under which the form of proxy is signed or a certified copy of such power of attorney or authority as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting or adjourned meeting thereof (as the case may be) so that it is received 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 or any adjourned meeting thereof (as the case may be) should you so wish and in such event, your appointment of proxy under any form of proxy shall be deemed to be revoked.

Hong Kong, 6 November 2012

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
INTRODUCTION	4
GRANTING OF THE REPURCHASE MANDATE	5
GRANTING OF THE ISSUE MANDATE	5
RE-ELECTION OF DIRECTORS	8
SCRIP DIVIDEND REINVESTMENT SCHEME FOR FINAL DIVIDEND	9
INCREASE IN AUTHORISED SHARE CAPITAL	12
ANNUAL GENERAL MEETING	13
RESPONSIBILITY STATEMENT	13
RECOMMENDATIONS	14
ADDITIONAL INFORMATION	14
APPENDIX I — EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE .	15
APPENDIX II — PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION .	19
NOTICE OF ANNUAL GENERAL MEETING	21

DEFINITIONS

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

“2001 Share Option Scheme”	the share option scheme adopted by the Company on 26 November 2001 and terminated on 10 December 2009
“2009 Share Option Scheme”	the share option scheme adopted by the Company on 10 December 2009
“Annual General Meeting”	the annual general meeting of the Company to be held at Harcourt Room, Lobby Level, Conrad Hong Kong Hotel, Pacific Place, 88 Queensway, Admiralty, Hong Kong on 6 December 2012 at 2:30 pm, the notice of which is set out on pages 21 to 24 of this circular, or any adjournment thereof
“associates”	have the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Company”	Esprit Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Dividend Reinvestment Price”	for the purpose of calculating the number of Scrip Shares to be issued pursuant to the Scrip Dividend Reinvestment Scheme for the Final Dividend, the market value of Scrip Shares would be determined by averaging the closing price of the Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding 12 December 2012
“Final Dividend”	the final dividend of HK\$0.15 per Share recommended by the Directors for the year ended 30 June 2012
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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 amount of the issued share capital of the Company as at the date of passing of the relevant resolution at the Annual General Meeting
“Joint Underwriters”	The Hongkong and Shanghai Banking Corporation Limited and UBS AG, Hong Kong Branch

DEFINITIONS

“Latest Practicable Date”	1 November 2012, 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 of Hong Kong Limited
“Member(s)” or “Shareholder(s)”	duly registered holder(s) of the Shares
“PRC”	the People’s Republic of China
“Record Date”	14 December 2012, being the date for determining the Shareholders who qualify for the Final Dividend
“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 total nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution at the Annual General Meeting
“Rights Issue”	the proposed issue by the Company of the Rights Shares at the subscription price of HK\$8.00 per Rights Share on the basis of one Rights Share for every two existing Shares held on 5:00 p.m. on 2 November 2012 payable in full on acceptance
“Rights Issue Announcement”	the announcement of the Company dated 22 October 2012 in relation to the Rights Issue
“Rights Share(s)”	the new Share(s) to be allotted and issued under the Rights Issue
“Scrip Share(s)”	fully paid new Shares to be issued pursuant to the Scrip Dividend Reinvestment Scheme in lieu of cash dividend for the Final Dividend, which will rank <i>pari passu</i> in all respects with the existing issued Shares, including entitlements to all future dividends save and except the Final Dividend
“Scrip Dividend Reinvestment Scheme”	a scheme of arrangement that allow Shareholders to elect to receive their Final Dividend in cash, or wholly or partly in the form of Scrip Shares
“SFO”	the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of HK\$0.10 each
“Share Option Schemes”	the 2001 Share Option Scheme and 2009 Share Option Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission in Hong Kong
“Underwriting Agreement”	the underwriting agreement dated 22 October 2012 entered into between the Company and the Joint Underwriters in relation to the Rights Issue

LETTER FROM THE BOARD

ESPRIT
ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 00330)

Chairman:
Raymond OR Ching Fai
Independent Non-executive Director

Deputy Chairman:
Paul CHENG Ming Fun
Independent Non-executive Director

Executive Directors:
Jose Manuel MARTÍNEZ GUTIÉRREZ, *Group Chief Executive Officer*
Thomas TANG Wing Yung, *Group Chief Financial Officer*

Non-executive Director:
Jürgen Alfred Rudolf FRIEDRICH

Independent Non-executive Director:
Alexander Reid HAMILTON

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Principal place of business
in Hong Kong:*
43/F,
Enterprise Square Three
39 Wang Chiu Road
Kowloon Bay
Kowloon
Hong Kong

6 November 2012

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES,
RE-ELECTION OF DIRECTORS,
SCRIP DIVIDEND REINVESTMENT SCHEME FOR FINAL DIVIDEND,
INCREASE IN AUTHORISED SHARE CAPITAL
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 proposed resolutions. The proposed resolutions include (i) the granting to the Directors of the Repurchase Mandate; (ii) the granting to the Directors of the Issue Mandate; (iii) the re-election of the retiring Directors; (iv) the Final Dividend with scrip alternative; and (v) the increase in the Company's authorised share capital.

LETTER FROM THE BOARD

GRANTING OF THE REPURCHASE MANDATE (*Resolution 5*)

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, the 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 issued share capital of the Company 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 of the Company, the date by which the next annual general meeting of the Company is required to be held by law or the Bye-laws or the date on which such authority is revoked or varied by ordinary resolution of the Shareholders 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 to this circular.

GRANTING OF THE ISSUE MANDATE (*Resolution 6*)

(i) Purpose of the Issue Mandate

At the Annual General Meeting, an ordinary resolution will be proposed to grant to the Directors a general and unconditional mandate to issue new Shares not exceeding 5 per cent. of the total nominal amount of the issued share capital of the Company as at the date of passing of the resolution. The Issue Mandate will end on the earliest of the conclusion of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by law or the Bye-laws or the date on which such authority is revoked or varied by ordinary resolution of the Shareholders in general meeting.

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 new 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 target. The Board is of the view that the granting of such authority is now commonplace in Hong Kong and it would be in the interests of the Company if the authorities were granted.

(ii) Restrictions on Dilution, Discounts and Refreshments

The Board draws the attention of Shareholders to the relevant provisions of the Listing Rules regarding the Issue Mandate, in particular the restriction on dilution, the restriction on discounts and the restrictions on refreshments set out in rules 13.36(2)(b), 13.36(4) and 13.36(5) of the Listing Rules, respectively. Broadly, these rules provide that (a) the aggregate securities allotted or agreed to be allotted must not exceed the aggregate of 20 per cent. of the existing issued share capital of the Company; (b) 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 (c) 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.

LETTER FROM THE BOARD

As the Company is fully committed to high corporate governance standards, the Directors will bolster these restrictions provided by the Listing Rules by:

- limiting the restriction on dilution arising from the aggregate securities allotted or agreed to be allotted pursuant to the Issue Mandate from the Listing Rules limit of 20 per cent. to 5 per cent. of the existing issued share capital of the Company; and
- limiting the restriction on discounts from the Listing Rules limit of 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,

and follow the Listing Rules provisions to seek prior approval of Shareholders in a general meeting if any refreshment of the Issue Mandate before the next annual general meeting of the Company is necessary.

The full text of rules 13.36(2)(b), 13.36(4) and 13.36(5) of the Listing Rules is set out below.

“(2) No such consent as is referred to in rule 13.36(1)(a) shall be required:

- (b) if, but only to the extent that, the existing shareholders of the issuer have by ordinary resolution in general meeting given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of 20% of the existing issued share capital of the issuer (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in rule 7.14(3), 20% of the issued share capital of an overseas issuer following the implementation of such scheme) plus the number of such securities repurchased by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the existing issued share capital of the issuer), provided that the existing shareholders of the issuer have by a separate ordinary resolution in general meeting given a general mandate to the directors of the issuer to add such repurchased securities to the 20% general mandate.*

- Notes:*
- 1. Other than where independent shareholders' approval has been obtained, an issue of securities to a connected person pursuant to a general mandate given under rule 13.36(2)(b) is only permitted in the circumstances set out in rule 14A.31(3).*
 - 2. An overseas issuer does not have to comply with rule 13.36 if its primary listing is or is to be on another stock exchange and it is not subject to any other statutory or other requirement giving pre-emptive rights to shareholders over further issues of share capital.”*

LETTER FROM THE BOARD

“(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(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 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*

LETTER FROM THE BOARD

- (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 the Rights Issue, Share Option Schemes 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 new Shares.

RE-ELECTION OF DIRECTORS (*Resolution 3*)

According to Bye-law 87(1), at each annual general meeting, 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 connection, 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

LETTER FROM THE BOARD

- (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), subject to the Companies Act 1981 of Bermuda (as amended from time to time) and the Bye-laws, 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. Jürgen Alfred Rudolf Friedrich will retire from office by rotation and, being eligible, will offer himself for re-election at the Annual General Meeting. In addition, in accordance with Bye-law 86(2), Mr. Jose Manuel Martínez Gutiérrez and Mr. Thomas Tang Wing Yung, being directors appointed by the Board after the Company's annual general meeting held on 1 December 2011, will hold office until the Annual General Meeting and, being eligible, will offer themselves 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 to this circular.

SCRIP DIVIDEND REINVESTMENT SCHEME FOR FINAL DIVIDEND (*Resolution 2*)

On 26 September 2012, it was announced that the Board recommended the distribution of a Final Dividend of HK\$0.15 per Share for the year ended 30 June 2012. Subject to the approval of Shareholders at the Annual General Meeting, the Final Dividend will be payable to Shareholders whose names appear on the registers of members of the Company at 5:00 pm on the Record Date.

The Board has recommended to provide Shareholders with an option to receive the Final Dividend in form of new fully paid Shares in lieu of cash. The procedures which apply in relation to the Scrip Dividend Reinvestment Scheme for the Final Dividend and the action which should be taken by the Shareholders in relation thereto are set out hereunder for Shareholders' attention.

(i) *Particulars of the Scrip Dividend Reinvestment Scheme for the Final Dividend*

Under the Scrip Dividend Reinvestment Scheme for the Final Dividend, Shareholders have the following choices in respect of the Final Dividend for the existing Shares registered in their names on the Record Date:

- (1) cash of HK\$0.15 for each Share; or

LETTER FROM THE BOARD

- (2) an allotment of Scrip Shares (the number of which is determined by methods set out below), save for the adjustment of fractional entitlements, equivalent to the total amount of the respective dividend which Shareholders would otherwise receive in cash; or
- (3) partly in cash and partly in form of Scrip Shares.

The number of Scrip Shares which Shareholders may receive in respect of the Final Dividend for the existing Shares registered in their names on the Record Date will be calculated as follows:

$$\begin{array}{rcl} \text{Number of Scrip Shares to be received} & = & \begin{array}{l} \text{Number of existing Shares held on the Record Date for which election for Scrip Shares is made} \end{array} \times \frac{\begin{array}{l} \text{HK\$0.15} \\ \text{(Final Dividend per Share)} \end{array}}{\text{Dividend Reinvestment Price}} \end{array}$$

The number of Scrip Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to Scrip Shares will not be issued and the residual dividend entitlement will be paid in cash. The residual dividend entitlement will be calculated as follows:

$$\begin{array}{rcl} \text{Residual dividend entitlement} & = & \begin{array}{l} \text{Number of existing Shares held on the Record Date} \end{array} \times \begin{array}{l} \text{HK\$0.15} \\ \text{(Final Dividend per Share)} \end{array} - \begin{array}{l} \text{Number of Scrip Shares elected to be received} \end{array} \times \begin{array}{l} \text{Dividend Reinvestment Price} \end{array} \end{array}$$

The last day and time on which Shareholders will be entitled to elect their desired form of Final Dividend is by 4:00 p.m. on 9 January 2013. Dividend warrants and Share certificates for Scrip Shares to be issued under the Scrip Dividend Reinvestment Scheme for the Final Dividend will be despatched to Shareholders at their risk by ordinary mail on or around 22 January 2013.

(ii) *Book Closure Period and Last Date of Transfer*

For the purpose of determining Shareholders who qualify for the Final Dividend, the registers of members of the Company will be closed from 12 December 2012 to 14 December 2012 (both days inclusive), during which period no transfer of Shares can be registered. In order to qualify for the Final Dividend, 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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on 11 December 2012.

(iii) *Advantages of the Scrip Dividend Reinvestment Scheme for the Final Dividend*

The Directors consider that the Scrip Dividend Reinvestment Scheme for the Final Dividend is beneficial to both Shareholders and the Company as it would allow the Company to maintain a strong balance sheet for its future growth and allow Shareholders the opportunity to increase their investment in the Company without incurring brokerage fees, stamp duty and related dealing costs.

LETTER FROM THE BOARD

(iv) *Conditions of the Scrip Dividend Reinvestment Scheme for the Final Dividend*

The Final Dividend is conditional upon the passing of the relevant resolution at the Annual General Meeting. The Scrip Dividend Reinvestment Scheme for the Final Dividend is further conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scrip Shares to be issued thereunder.

In the event that the above condition of the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scrip Shares to be issued is not satisfied, the Scrip Dividend Reinvestment Scheme for the Final Dividend will not be effective and the Final Dividend will be paid wholly in cash.

(v) *Election Form*

In the event that the resolution in relation to the Final Dividend is approved by Shareholders at the Annual General Meeting, an election form in relation to the Scrip Dividend Reinvestment Scheme for the Final Dividend will be despatched to Shareholders shortly after the Annual General Meeting for their use should they wish to receive the Final Dividend wholly or partly in the form of Scrip Share in lieu of cash. The completed election form should be returned 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 by 4:00 p.m. on 9 January 2013.

(vi) *Listing*

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scrip Shares to be issued pursuant to the Scrip Dividend Reinvestment Scheme for the Final Dividend after the relevant resolution is passed at the Annual General Meeting.

(vii) *Effect of the Scrip Dividend Reinvestment Scheme for the Final Dividend*

Shareholders should note that the Scrip Shares to be issued under the Scrip Dividend Reinvestment Scheme for the Final Dividend may give rise to disclosure requirements under the provisions of Divisions 2 and 3 of Part XV of the SFO. If Shareholders are in any doubt as to how these provisions may affect them as a result of the issuance of the Scrip Shares, they are recommended to seek their own professional advice.

(viii) *Shareholders residing outside of Hong Kong*

No person receiving a copy of this circular and/or an election form in any jurisdiction outside Hong Kong may treat the same as an offer to elect to receive Scrip Shares unless in the relevant jurisdictions such offer could lawfully be made to him/her without the Company being required to comply with any legal, governmental or regulatory procedures, restrictions or any other similar formalities. According to the registers of members of the Company as at the Latest Practicable Date, Shareholders residing outside of Hong Kong include residents in Australia, Israel, the PRC and United States of America (the "**Specified Territories**").

LETTER FROM THE BOARD

Given the existing Shareholder base as at the Latest Practicable Date, based on relevant enquiries made by the Company, the Company considers it may be necessary or expedient not to offer election forms in relation to the Scrip Dividend Reinvestment Scheme for the Final Dividend to Shareholders resident in the Specified Territories on the basis of the legal restrictions under the laws of the relevant place in which the Shareholders is located or the requirements or restrictions of the relevant regulatory body or stock exchange in that place.

Whether or not it is to your advantage to elect to receive Scrip Shares in lieu of cash, in whole or in part, for the Final Dividend will depend on your own individual circumstances and the decision in this regard, and all effects resulting therefrom, will be your sole responsibility. If you are in any doubt as to what to do, you should consult your professional advisers.

(ix) *Dealings*

Dealings of the Scrip Shares are expected to commence on or around 22 January 2013. The Shares are only listed on the main board of the Stock Exchange. No part of the share capital of the Company is listed or dealt on any other stock exchange and the Company is not currently seeking to list its securities on any other stock exchange.

INCREASE IN AUTHORISED SHARE CAPITAL (*Resolution 7*)

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$200,000,000 divided into 2,000,000,000 Shares of HK\$0.10 each, of which 1,292,176,114 Shares were in issue. As disclosed in the Rights Issue Announcement, not less than 646,088,057 Rights Shares and not more than 655,782,557 new Shares would be allotted and issued on or around 26 November 2012; and there are outstanding share options granted in respect of 25,096,000 Shares under the 2001 Share Option Scheme and 31,480,000 Shares under the 2009 Share Option Scheme.

After completion of the Rights Issue, the number of issued and fully-paid Shares would be close to the limit of the authorised share capital of the Company. In order to accommodate future issues of the Shares pursuant to (i) any exercise of the share options under the Share Option Schemes, (ii) proposed Issue Mandate and (ii) the Scrip Dividend Reinvestment Scheme for the Final Dividend the Board proposed to increase the authorised share capital of the Company.

At the Annual General Meeting, an ordinary resolution will be proposed to increase the authorised share capital of the Company from HK\$200,000,000 divided into 2,000,000,000 Shares of HK\$0.10 each to HK\$300,000,000 by the creation of an additional HK\$100,000,000 divided into 1,000,000,000 Shares of HK\$0.10 each. Upon issue, such new Shares shall rank *pari passu* in all respects with the existing Shares in the capital of the Company.

Other than the Rights Issue, Share Option Schemes or similar arrangement of the Company for the granting or issuance of Shares or rights to acquire Shares, the Company has no present intention to grant and issue further new Shares.

LETTER FROM THE BOARD

The Company is subject to certain lock up provisions under the Underwriting Agreement, whereby the Company has undertaken, among other things, not to allot or issue or repurchase any Shares (except for the Rights Shares, any Shares that are issued pursuant to the terms of the Share Option Schemes, and any Shares that are issued in respect of a dividend settled in whole or in part by the issuance of Shares) without the prior written consent of the Joint Underwriters for a period from the date of the Underwriting Agreement and ending on the date which is 90 days from the closing date i.e. the third business day after the latest time for acceptance and payment of the Rights Shares, which is currently expected to be 4:00 pm on 19 November 2012 (or such other date as the Company and the Joint Underwriters may agree in writing). Shareholders are advised to refer to the Rights Issue Announcement for further information about the lock up provisions.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out on pages 21 to 24 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, the re-election of retiring Directors, the payment of the Final Dividend with scrip alternative and the increase in the authorised share capital of the Company.

Pursuant to rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. The chairman of the Annual General Meeting will therefore put forth each of the resolutions to be proposed at such meeting to be voted by way of a poll pursuant to Bye-law 66 of the Bye-laws. None of the Directors nor, to the best of their knowledge and having made all reasonable enquires, any of their associates is aware of any Shareholders who are required to abstain from voting at the Annual General Meeting.

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, together with the power of attorney or other authority (if any) under which the form of proxy is signed or a certified copy of such power of attorney or authority, 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 as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the Annual General Meeting or any adjourned meeting thereof (as the case may be) if you so wish and in such event, your appointment of proxy under any form of proxy shall be deemed to be revoked.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

RECOMMENDATIONS

The Board considers that the granting of the Repurchase Mandate, the granting of the Issue Mandate, the re-election of retiring Directors, the payment of the Final Dividend with scrip alternative and the increase in the authorised share capital of the Company are in the best interests of the Company and the Shareholders as a whole and accordingly recommends you to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

The Directors are pleased to recommend Mr. Jürgen Alfred Rudolf Friedrich, Mr. Jose Manuel Martínez Gutiérrez and Mr. Thomas Tang Wing Yung for re-election as Directors at the Annual General Meeting.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Esprit Holdings Limited
Raymond Or Ching Fai
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 authorised share capital of the Company was 2,000,000,000 Shares, of which 1,292,176,114 Shares were issued and fully paid.

As disclosed in the Rights Issue Announcement, and assuming no new Shares are allotted and issued pursuant to any exercise of vested share options on or before 2 November 2012 and full subscription for the Rights Shares, the number of Rights Shares which may be allotted and issued is 646,088,057. On the basis that no further Shares are issued or repurchased prior to the Annual General Meeting save for the Rights Issue, the Repurchase Mandate, if granted, would allow the Company to repurchase up to 193,826,417 Shares (which represent 10 per cent. of the Shares in issue as at the Latest Practicable Date and assumes the minimum increase in the number of issued Rights Shares arising from the Rights Issue (i.e. 646,088,057 Rights Shares) and no exercise of vested share options on or before 2 November 2012 (the “**Enlarged Issued Share Capital**”)) during the period ending on the earliest of the date of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required to be held by law or the Bye-laws or the date upon which such authority is revoked or varied by ordinary resolution of the Company in general meeting.

REASONS FOR REPURCHASES

The Directors believe that it is in the interests of the Company and its Shareholders as a whole to seek a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, result in an enhancement of the net asset value of the Company and its 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.

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. Based on the audited consolidated financial statements of the Company as at 30 June 2012 (being the

APPENDIX I EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE

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.

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:

	Per Share	
	Highest HK\$ (Note)	Lowest HK\$ (Note)
2011		
November	10.31	8.21
December	10.67	9.27
2012		
January	10.72	9.28
February	14.76	10.23
March	15.85	12.81
April	14.13	13.03
May	13.60	10.63
June	11.71	8.69
July	9.53	8.55
August	11.87	8.84
September	11.75	10.35
October	11.53	9.56
November (up to the Latest Practicable Date)	10.68	9.90

Source: quoted prices from the Stock Exchange's website (www.hkex.com.hk)

Note: The highest and lowest prices per Share were adjusted with regard to the Rights Issue.

REPURCHASE OF SHARES

The Company has not repurchased any Share, whether on the Stock Exchange or otherwise, during the six months immediately preceding the Latest Practicable Date.

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 will be treated as an acquisition of voting rights for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation for the relevant Shareholder(s) to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

APPENDIX I EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE

Save as disclosed below, as at the Latest Practicable Date, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no person or company had an interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group or had any option in respect of such capital:

Name of shareholders	Capacity	Number of Shares	Approximate percentage of aggregate interests to total issued share capital
Lone Pine Capital LLC	Investment manager	182,903,600 (Long position)	14.15% (Note 1)
HSBC Holdings plc and its controlled corporations	Interests of controlled corporation	341,563,019 (Note 2) (Long position)	17.36% (Note 4)
UBS AG and its controlled corporations	Interests of controlled corporation	349,765,093 (Note 3) (Long position)	17.78% (Note 4)
		21,904,239 (Short position)	1.11% (Note 4)

Notes:

1. The approximate percentage of the total issued Shares is calculated based on the total number of the Company's issued Shares of 1,292,176,114 as at the Latest Practicable Date.
2. The number of Shares includes the maximum number of Rights Shares underwritten by The Hongkong and Shanghai Banking Corporation Limited pursuant to the Underwriting Agreement.
3. The number of Shares includes the maximum number of Rights Shares underwritten by UBS AG, Hong Kong Branch pursuant to the Underwriting Agreement.
4. The approximate percentage of the total issued Shares is calculated based on the maximum number of Shares in issue upon completion of the Rights Issue, being 1,967,347,671 Shares (assuming that new Shares are allotted and issued pursuant to the full exercise of the vested share options on or before 5:00 p.m. on 2 November 2012, being the date by reference to which entitlements to the Rights Issue was determined, and that no other Shares (other than the Rights Shares) are allotted and issued on or before the completion of the Rights Issue).

On the basis that the Enlarged Issued Share Capital after the Rights Issue remains unchanged on the date of the Annual General Meeting and in the event that the Directors exercise in full the Repurchase Mandate on the date of the Annual General Meeting, the attributable interest of Lone Pine Capital LLC in the Company (assuming the Shares held by Lone Pine Capital LLC as a percentage of the issued share capital of the Company after the Rights Issue would remain unchanged) would be

APPENDIX I EXPLANATORY STATEMENT OF THE REPURCHASE MANDATE

increased to approximately 15.7% 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 Rules 26 and 32 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 respective associates, have any present intention to sell any Shares to the Company under the Repurchase Mandate, in the event the Repurchase Mandate is approved by 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

Jürgen Alfred Rudolf Friedrich, aged 74, founded Esprit's European operations in 1976 and has been a Non-executive Director of the Company since 1997. He is a member of the Nomination Committee of the Board. Mr. Friedrich has over 32 years of experience in the apparel distribution and marketing business and is currently retired in Switzerland.

Mr. Friedrich 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, apart from holding the interest in 45,553,669 Shares, representing approximately 3.53% of the total issued share capital of the Company, of which 45,500,000 Shares were held by himself as the beneficial owner and 53,669 were held by his spouse Mrs. Anke Beck Friedrich, Mr. Friedrich does not have any interests in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, he has not held any directorships in listed public companies in the last three years.

Mr. Friedrich does not have a service contract with the Company. Mr. Friedrich 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. Friedrich is entitled to a director's fee of HK\$565,000 per annum, which comprises HK\$480,000 for his directorship and HK\$85,000 for acting as a member of the Nomination Committee. Mr. Friedrich's director's fee has been determined by reference to the level of remuneration for non-executive directors of listed companies with a global operation and the demand of the Company for Mr Friedrich's attention as its Non-executive Director.

Jose Manuel Martínez Gutiérrez, aged 43, was appointed as an Executive Director of the Company and Group Chief Executive Officer on 26 September 2012. He is a member of the General Committee of the Board and a director of certain subsidiaries of the Company. He obtained a Bachelor's Degree in Business Administration from Universidad Autónoma de Madrid, and a Master in Business Administration Degree (Honours with Distinction) from J.L. Kellogg Business School, Northwestern University.

Mr. Martínez's professional career spans investment banking, strategy consulting and senior management positions in the global retail and consumer goods industries. Most recently, he was the group director of distribution and operations for Industria De Diseño Textil, S.A. ("**Inditex**"), based in Spain. Operating in more than 80 countries across five continents, Inditex is one of the world's largest fashion retailers and owner of brands including Zara and Massimo Dutti. In this role, Mr. Martínez managed the group's distribution to its extensive global retail network. Over his nine years at Inditex, Mr. Martínez has led cross-functional transformation projects encompassing multiple business areas to overhaul and improve Inditex's supply chain management. Initially, Mr. Martínez held the position of country manager for the Zara brand across Scandinavia, where he had top and bottom line accountability.

Prior to joining Inditex, Mr. Martínez spent eight years at McKinsey & Company leading the firm's retail and consumer goods practice in Spain and advising clients in Europe and South America on strategy, sales and marketing and store operations.

Mr. Martínez 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. Martínez does not have any interests in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, he has not held any directorships in listed public companies in the last three years.

APPENDIX II PARTICULARS OF DIRECTORS PROPOSED FOR RE-ELECTION

Mr. Martínez has entered into an employment contract with the Company. Mr. Martínez's employment may be terminated by him by serving six months' notice in writing after the first two years of employment or by the Company by serving twelve months' notice in writing within the first two years of employment and six months' notice thereafter. He 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. Martínez is entitled to a remuneration of €1,500,000 per annum with annual discretionary bonus opportunity of €1,500,000 of which the first two years' are guaranteed. He is also entitled to a sign-on bonus of €1,250,000. He will be granted 5,000,000 share options pursuant to the 2009 Share Option Scheme within six months from the commencement date of employment. Mr. Martínez's remuneration has been reviewed by the Remuneration Committee and was determined with reference to his professional background, the importance of the role of the Group Chief Executive Officer to implement and execute the Transformation Plan 2014/15, the time commitment required, the responsibilities of the role, the salaries paid by comparable companies and employment conditions elsewhere in the Group.

Thomas Tang Wing Yung, aged 57, was appointed as an Executive Director and Group Chief Financial Officer on 2 May 2012. He is a member of the General Committee of the Board and a director of certain subsidiaries of the Company. Mr. Tang obtained a Bachelor of Science degree in Modern Mathematics from Surrey University, United Kingdom. He has been an associate member of The Institute of Chartered Accountants in England and Wales since 1981. He is also a fellow member of The Hong Kong Institute of Certified Public Accountants (Practising) and has over 30 years of experience in accounting and finance.

Prior to joining the Company, Mr. Tang was executive director and chief financial officer of Sino Land Company Limited and Sino Hotels (Holdings) Limited, and chief financial officer of Tsim Sha Tsui Properties Limited until his resignation in March 2012. He first joined these three companies as chief financial officer in November 2003. All these companies are listed on the main board of the Stock Exchange. Prior to joining the Sino group, he was a managing director of an investment and financial advisory services firm that is a member of an international group, overseeing operations in the Asia-Pacific region. Mr. Tang started his career as an accountant working for Peat Marwick (KPMG) in London and Hong Kong.

Mr. Tang 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. Tang does not have any interests in the Shares within the meaning of Part XV of the SFO. Save as disclosed above, he has not held any directorships in listed public companies in the last three years.

Mr. Tang has entered into an employment contract with the Company that may be terminated by either party by serving six months' notice in writing. He is subject to retirement by rotation and re-election at general meetings of the Company in accordance with the Bye-laws. Mr. Tang is entitled to a director's remuneration of HK\$8,000,000 per annum with annual discretionary bonus opportunity of HK\$3,000,000, of which the first twelve months is guaranteed. Mr. Tang's remuneration has been reviewed by the Remuneration Committee and was determined with reference to his qualifications, experience, duties and responsibilities within the Group as well as the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, there are no other matters concerning Mr. Jürgen Alfred Rudolf Friedrich, Mr. Jose Manuel Martínez Gutiérrez and Mr. Thomas Tang Wing Yung relating to their re-election that need to be brought to the attention of 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 (the “**Company**”) will be held at Harcourt Room, Lobby Level, Conrad Hong Kong Hotel, Pacific Place, 88 Queensway, Admiralty, Hong Kong on 6 December 2012 at 2:30 p.m. (the “**Annual General Meeting**”) for the purpose of transacting the following businesses:

As to 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 30 June 2012.
- (2) To approve a final dividend of 0.15 Hong Kong dollar per share for the year ended 30 June 2012 with scrip alternative.
- (3) (a) To re-elect the following persons as directors of the Company (the “**Directors**”):
 - (i) Mr. Jürgen Alfred Rudolf Friedrich;
 - (ii) Mr. Jose Manuel Martínez Gutiérrez; and
 - (iii) Mr. Thomas Tang Wing Yung;
- (b) To authorise the board of Directors to fix the directors’ fees.
- (4) To re-appoint Messrs. PricewaterhouseCoopers as auditors of the Company at a remuneration to be determined by the Directors.

And as to special business, to consider and, if thought fit, to pass with or without modification, the following resolutions (5), (6) and (7) as ordinary resolutions:

ORDINARY RESOLUTIONS

- (5) “**THAT:**
 - (a) subject to paragraph 5(c) below, the exercise by the Directors of the Company during the Relevant Period (as defined in paragraph 5(d) below) of all the powers of the Company to repurchase issued shares in the capital of the Company (“**Shares**”) and any securities which carry a right to subscribe for or purchase Shares, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph 5(a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to repurchase its Shares and any securities which carry a right to subscribe for or purchase Shares at a price determined by the Directors;
 - (c) the total nominal amount of Shares which may be purchased pursuant to the approval in paragraphs 5(a) and 5(b) 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 paragraphs 5(a) and 5(b) 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
 - (d) 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.”
- (6) “**THAT:**
- (a) subject to the restriction on discounts and restriction on refreshment of this mandate as stated in the circular to shareholders of the Company dated 6 November 2012 and subject to paragraph 6(c) below, the exercise by the Directors during the Relevant Period (as defined in paragraph 6(d) below) of all the powers of the Company to allot, issue and deal with additional new Shares and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) during the Relevant Period which would or might require Shares to be allotted, issued or dealt with during or after the end of the Relevant Period be and is hereby generally and unconditionally approved;
 - (b) the Directors be and are hereby authorised during the Relevant Period to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such powers after the end of the Relevant Period;
 - (c) the total nominal amount of additional Shares allotted, issued dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with, pursuant to the approval in paragraphs 6(a) and 6(b) 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, or (iv) any scrip dividend scheme or similar arrangement providing for the allotment

NOTICE OF ANNUAL GENERAL MEETING

of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company, shall not exceed 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; where the additional Shares are being placed for cash consideration, the Company may not issue any additional Shares pursuant to the approval in paragraph 6(a) above at a discount of 10 per cent. or more; and any refreshments of the approval in paragraph 6(a) above before the next annual general meeting of the Company is subject to the prior approval of the shareholders of the Company in a general meeting; and

- (d) 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 to the holders of Shares or any class thereof whose names stand on the registers of members on a fixed record date in proportion to their then holdings of such 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 relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange).”
- (7) “**THAT** the authorised share capital of the Company be and is hereby increased from HK\$200,000,000 divided into 2,000,000,000 shares of HK\$0.10 each to HK\$300,000,000 divided into 3,000,000,000 shares of HK\$0.10 each by the creation of an additional HK\$100,000,000 divided into 1,000,000,000 shares of HK\$0.10 each.”

By order of the Board
Esprit Holdings Limited
Florence Ng Wai Yin
Company Secretary

Hong Kong, 6 November 2012

Principal place of business in Hong Kong:
43/F, Enterprise Square Three
39 Wang Chiu Road
Kowloon Bay
Kowloon
Hong Kong

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (a) A shareholder of the Company entitled to attend and vote at the Annual General Meeting or any adjournment meeting thereof (as the case may be) is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the appointment shall specify the number of shares of the Company 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 the shareholders of the Company dated 6 November 2012.
- (b) Where there are joint registered holders of any share of the Company, any one such person may vote at the Annual General Meeting, either personally or by proxy, in respect of such shares as if he was solely entitled thereto; but if more than one of such joint holders be present at the Annual General Meeting personally or by proxy, that one of the said persons so present whose name stands first on the registers of members in respect of such shares shall alone be entitled to vote in respect thereof.
- (c) In order to be valid, 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 of attorney 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, as soon as possible and not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting (as the case may be).
- (d) In order to ascertain the rights of shareholders of the Company for the purpose of attending and voting at the Annual General Meeting, the registers of members of the Company will be closed from Tuesday, 4 December 2012 to Thursday, 6 December 2012 (both days inclusive), during which period no transfer of the shares of the Company can be registered. In order to be entitled to attend and vote at the Annual General Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share register in Hong Kong, Tricor Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 pm on Monday, 3 December 2012.
- (e) For the purpose of determining shareholders of the Company who qualify for the final dividend mentioned above, the registers of members of the Company will be closed from Wednesday, 12 December 2012 to Friday, 14 December 2012 (both days inclusive), during which period no transfer of the shares of the Company can be registered. In order to qualify for the final dividend mentioned above, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share register in Hong Kong, Tricor Secretaries Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 pm on Tuesday, 11 December 2012.
- (f) At the Annual General Meeting, the chairman of the meeting will exercise his power under bye-law 66 of the bye-laws of the Company to put each of the resolutions set out in the notice of the Annual General Meeting to be voted by way of poll. On a poll, every shareholder present in person (or in the case of a corporation by its authorised representative) or by proxy shall have one vote for every share of which he is the holder.
- (g) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
- (h) As at the date hereof, the board of Directors comprises (i) Mr. Jose Manuel Martínez Gutiérrez (*Group Chief Executive Officer*) and Mr. Thomas Tang Wing Yung (*Group Chief Financial Officer*) as Executive Directors; (ii) Mr. Jürgen Alfred Rudolf Friedrich as Non-executive Director; and (iii) Mr. Raymond Or Ching Fai (*Chairman*), Mr. Paul Cheng Ming Fun (*Deputy Chairman*) and Mr. Alexander Reid Hamilton as Independent Non-executive Directors.