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ESPRIT

ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Announcement

The Board of the Company notes the increase in the price and turnover of the shares of the Company on May 18, 2000.

The Board wishes to advise that it is currently considering a possible separate listing of the European operations as a subsidiary of the Group on the Frankfurt Stock Exchange.

The Board wishes to emphasize that no decision has been made to proceed with the Proposed Transaction. No formal application has therefore been filed with the Frankfurt Stock Exchange in respect of the listing at this stage. The Board will make a decision on whether to proceed with the Proposed Transaction in the near future. However, investors should note that even if a decision is made to proceed with the Proposed Transaction, the Proposed Transaction is dependent to a large extent on market conditions at the relevant time and there is no certainty that the Proposed Transaction will be completed successfully or at all.

Investors are therefore advised to exercise extreme caution when dealing in the shares of the Company.

This statement is made at the request of The Stock Exchange of Hong Kong Limited.

The Board of Directors (the “**Board**”) of Esprit Holdings Limited (the “**Company**”) has noted the increase in the price and turnover of the shares of the Company on May 18, 2000.

The Board wishes to state that, save as described below, the Board is not aware of any reasons for such increase which is not already in the public domain.

The Board is currently considering a separate listing of the European operations of the Company and its subsidiaries (the “**Group**”) on the Frankfurt Stock Exchange (the “**Proposed Transaction**”).

The Board wishes to emphasize that no decision has been made to proceed with the Proposed Transaction. No formal application has therefore been filed with the Frankfurt Stock Exchange in respect of the listing at this stage. The Board will make a decision on whether to proceed with the Proposed Transaction in the near future. However, investors should note that even if a decision is made to proceed with the Proposed Transaction, the Proposed Transaction is dependent to a large extent on market conditions at the relevant time and there is no certainty that the Proposed Transaction will be completed successfully or at all.

As the Proposed Transaction may or may not be proceeded with, investors are advised to exercise extreme caution when dealing in the shares of the Company.

The Proposed Transaction, if it is proceeded with and materialises, will constitute a notifiable transaction of the Company under The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”). A further announcement will be made by the Company as and when appropriate in accordance with the requirements of the Listing Rules.

Save as disclosed above, the Board confirms that there are no negotiations or agreements relating to any intended acquisitions or realisations which are discloseable under paragraph 3 of the Listing Agreement, and neither is the Board aware of any matter discloseable under the general obligations 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 of the Company, 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, May 18, 2000

This announcement may be viewed on the internet at www.esprit-intl.com/company/financial/ and www.irasia.com/listco/hk/esprit