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If you are in doubt as to any aspect of 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 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, a licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ESPRIT

ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 330)

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

A notice convening the Annual General Meeting of the Company to be held at Salon I, 1/F., Hotel Harbour Plaza Hong Kong, 20 Tak Fung Street, Hunghom, Hong Kong on Friday, December 3, 2004 at 2:00 p.m. or any adjournments thereof at which the above proposals will be considered, is contained in pages 12 to 25 of this circular. If you are not 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 thereon as soon as possible and in any event not less than 48 hours before the time of the Annual General Meeting to the branch share registrar of the Company in Hong Kong, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, 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 20, 2004

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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 Salon I, 1/F., Hotel Harbour Plaza Hong Kong, 20 Tak Fung Street, Hunghom, Hong Kong on Friday, Decemebr 3, 2004 at 2:00 p.m. |
| “Board” | board of Directors |
| “Bye-laws” | bye-laws of the Company |
| “Company” | Esprit Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are primary listed on the Stock Exchange and secondary listed on the London 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 general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the relevant period up to a maximum of 20 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution at the Annual General Meeting |
| “Latest Practicable Date” | October 13, 2004, being the latest practicable date prior to the issue of this circular for ascertaining certain information contained herein |
| “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 |

DEFINITIONS

| | |
|----------------------|---|
| “Repurchase Mandate” | the general mandate to the Directors to exercise the powers of the Company to repurchase fully paid Shares during the relevant period up to a maximum of 10 per cent. of the issued share capital of the Company as at the date of passing of the relevant resolution at the Annual General Meeting |
| “PRC” | the People’s Republic of China |
| “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)

Executive Directors:

Michael YING Lee Yuen (*Chairman*)
Heinz Jürgen KROGNER-KORNALIK
John POON Cho Ming
Thomas Johannes GROTE
Jerome Squire GRIFFITH

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Non-executive Directors:

Paul CHENG Ming Fun*
Jürgen Alfred Rudolf FRIEDRICH
Alexander Reid HAMILTON*
Simon LAI Sau Cheong
Raymond OR Ching Fai*

Principal Place of Business:

10/F., 11 Yuk Yat Street
Tokwawan
Kowloon
Hong Kong

* *Independent non-executive Directors*

October 20, 2004

To the Shareholders

Dear Sir or Madam,

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

INTRODUCTION

The Directors wish to seek the approval of the Shareholders at the Annual General Meeting for the granting of the Issue Mandate and the Repurchase Mandate, the proposed re-election of Directors and the proposed amendments to the Bye-laws.

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

LETTER FROM THE BOARD

GRANTING OF THE ISSUE MANDATE AND THE REPURCHASE MANDATE

Three ordinary resolutions numbered (6), (7) and (8) in the notice of the Annual General Meeting will be proposed in relation to the Repurchase Mandate, the Issue Mandate and the extension to the Issue Mandate to issue and allot additional Shares representing the total nominal amount of Shares which may be purchased by the Company under the Repurchase Mandate, provided that such amount of Shares so purchased shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date on which such resolution is passed.

The Directors will seek the approval of the Shareholders for the grant of the Issue Mandate at the Annual General Meeting.

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

RE-ELECTION OF DIRECTORS

According to Bye-laws 87(1) and 87(2), at each annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything in the Bye-laws, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.

A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors 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.

In accordance with Bye-laws 87(1) and 87(2), Mr. John POON Cho Ming, Mr. Alexander Reid HAMILTON and Mr. Simon LAI Sau Cheong shall retire from office by rotation and all of them be eligible for re-election at the Annual General Meeting. According to Bye-law 86(2), any Director appointed by the Board either to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. In accordance with Bye-law 86(2), Mr. Jerome Squire GRIFFITH shall hold office only until the Annual General Meeting and be eligible for re-election at that meeting.

LETTER FROM THE BOARD

John POON Cho Ming, aged 50, is the Deputy Chairman, Group Chief Financial Officer and Company Secretary of the Group. Mr. Poon has entered into a service contract with the Group that does not provide for a fixed period of service but his directorship is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws. Mr. Poon is primarily responsible for managing the Group's financial and legal functions, including strategic planning and corporate finance, investor relations, accounting and tax, treasury management as well as company secretarial affairs. Mr. Poon is a qualified solicitor in Hong Kong, England and Wales, and a barrister and solicitor in Alberta, Canada. The total amount of Mr. Poon's basic salary is HK\$4,700,000 per annum. Mr. Poon is also eligible for consideration of annual discretionary bonus based on his performance and is entitled to a club membership. The Company contributes to Mr. Poon's Hong Kong mandatory provident fund in compliance with applicable Hong Kong legal requirements. Mr. Poon'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. Mr. Poon had not been a director in any other listed company in the past three years. Mr. Poon does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company. As at the Latest Practicable Date, apart from holding 4,200,000 share options and 1,000,000 Shares in the Company, Mr. Poon had no other interests (within the meaning of Part XV of the Securities and Futures Ordinance) in the Shares of the Company. The Company confirms that it is not aware of any other matters that need to be brought to the attention of the Shareholders.

Alexander Reid HAMILTON, aged 63, has been an independent non-executive Director of the Company since August 1995. As at the Latest Practicable Date, Mr. Hamilton was an independent non-executive director of CITIC Pacific Limited, COSCO Pacific Limited and Shangri-La Asia Limited, all of which were listed on the Main Board of the Stock Exchange. As at the Latest Practicable Date, he was also an independent non-executive director of JF China Region Fund Inc. which was listed in New York Stock Exchange. During the last three years prior to the Latest Practicable Date, Mr. Hamilton had also been an independent non-executive director of Cosco International Holdings Limited, Man Sang International Limited and Imagi International Holdings Limited. He was a partner of Price Waterhouse with whom he practised for 16 years. No service contract has been entered into between Mr. Hamilton and the Company. Mr. Hamilton 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. Hamilton is only entitled to a director's fee which is currently HK\$240,000 per annum. His 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 on Mr. Hamilton's attention as its non-executive director. Mr. Hamilton is the chairman of the Company's audit committee and a member of the remuneration committee of the Board. Mr. Hamilton does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company. Except as disclosed above, Mr. Hamilton has not previously held any other position with the Company or its subsidiaries. As at the Latest Practicable Date, Mr. Hamilton did not have any interest (within the meaning of Part XV of the Securities and Futures Ordinance) in the Shares of the Company. The Company confirms that it is not aware of any other matters that need to be brought to the attention of the Shareholders.

LETTER FROM THE BOARD

Simon LAI Sau Cheong, aged 44, was appointed an independent non-executive Director of the Company in November 1999 and was re-designated as non-executive Director of the Company effective from September 15, 2004. Mr. Lai is admitted to practice as a solicitor in Hong Kong, England and Wales and New South Wales, Australia. Mr. Lai is a partner of the law firm of Deacons and has over 19 years' experience of legal practice. No service contract has been entered into between the Company and Mr. Lai. He 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. Lai is only entitled to a director's fee which is currently HK\$220,000 per annum. His 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 on his attention as its non-executive director. Mr. Lai is a member of the general committee of the Board which is responsible for certain routine corporate administrative matters and a member of the nomination committee of the Board. Mr. Lai does not have any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company other than through the provision of legal services from time to time by the law firm of Deacons of which he is a partner. Mr. Lai had not been a director in any other listed company in the past three years. Except as disclosed above, Mr. Lai has not previously held any other position with the Company or its subsidiaries. As at the Latest Practicable Date, Mr. Lai did not have any interest (within the meaning of Part XV of the Securities and Futures Ordinance) in the Shares of the Company. The Company confirms that it is not aware of any other matters that need to be brought to the attention of the Shareholders.

Jerome Squire GRIFFITH, aged 46, is currently the joint Chief Operating Officer of the Esprit brand and the global head of retail operation of the Group. He received his Bachelor of Science Degree in Marketing from Pennsylvania State University. Before joining the Group in 2002, he held senior positions in major retail companies in the United States and Europe. Mr. Griffith has entered into a service contract with the Group that does not provide for a fixed period of service but his 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. Griffith's basic salary and cash allowances is €470,400 per annum. Mr. Griffith is also eligible for consideration of annual discretionary bonus based on his performance. The Company has made mandatory contributions to social security fund and pensions in accordance with applicable legal requirements. Mr. Griffith's emoluments have been determined by the Group 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. Mr. Griffith does not have any relationship with any other Directors or senior management or substantial or controlling shareholders of the Company. Mr. Griffith had not been a director in any other listed company in the past three years. As at the Latest Practicable Date, apart from holding 2,800,000 share options in the Company, Mr. Griffith had no other interests (within the meaning of Part XV of the Securities and Futures Ordinance) in the Shares of the Company. The Company confirms that it is not aware of any other matters that need to be brought to the attention of the Shareholders.

AMENDMENTS TO THE BYE-LAWS

Following the amendments to the Listing Rules in February 2002 and March 2004, the Directors also recommend corresponding amendments to be made to the Bye-laws to ensure proper compliance. In addition, the Company proposes to amend the Bye-laws such that the

LETTER FROM THE BOARD

chairman of the Board and/or the managing director of the Company shall also be subject to retirement by rotation and be taken into account in determining the number of Directors to retire each year. As such, a special resolution to approve the amendments to the Bye-laws will be proposed at the Annual General Meeting.

Set out below is a summary explanation of the principal proposed amendments to the Bye-laws:

- (a) The new definition of “clearing house” is proposed to be adopted following enactment of the Securities and Futures Ordinance which became effective on April 1, 2003 and to adopt the definitions of “associate”.
- (b) To reflect the restriction on voting by members as required under amended Appendix 3 to the Listing Rules.
- (c) To be consistent with the amended Appendix 3 to the Listing Rules regarding (as provided in that Appendix) the minimum seven-day period for lodgement by shareholders of the notice to nominate a Director to commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting.
- (d) To reflect the change of the approval requirement for removal of Directors from special resolution to ordinary resolution in light of the revised section 157B of the Companies Ordinance.
- (e) To be consistent with the provisions of the amended Appendix 3 to the Listing Rules, being that subject to certain exceptions, a Director shall abstain from voting at the board meeting on any matter in which any of his associate(s) has/have a material interest(s) and is/are not to be counted towards the quorum of the relevant board meeting.
- (f) To permit the Company to distribute a summary financial report in place of its full annual report and to send or otherwise make available corporate communication by electronic means and in either English or Chinese or in both languages as provided under the current Companies Ordinance and the Listing Rules.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out in this circular. At the Annual General Meeting, ordinary resolutions will be proposed to approve the granting of the Issue Mandate and the Repurchase Mandate and the re-election of Directors, and a special resolution will be proposed to approve the proposed amendments to the Bye-laws.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. If you are not able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company in Hong Kong, Secretaries Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the proxy form will not prevent Shareholders from attending and voting at the aforesaid meeting if they so wish.

LETTER FROM THE BOARD

RIGHT TO DEMAND A POLL

In accordance with the Company's Bye-laws, resolutions proposed at the Annual General Meeting shall be decided on a show of hand unless (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 3 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 in the Company 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.

RECOMMENDATIONS

The Board considers that (a) the granting of the Issue Mandate and the Repurchase Mandate; (b) the re-election of the Directors as described in the section headed "Re-election of Directors" above; and (c) the proposed amendments to the Bye-laws are in the interests of the Company and the Shareholders, and accordingly recommends you to vote in favour of all the relevant resolutions to be proposed 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, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,
For and on behalf of the Board
John Poon Cho Ming
Deputy Chairman

The following is the explanatory statement required to be sent to 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 1,193,558,434 Shares of HK\$0.10 each. On the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, exercise in full of the proposed Repurchase Mandate can accordingly result in up to 119,355,843 fully paid Shares being repurchased by the Company during the course of 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 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 do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same 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 would 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, any repurchases will be made out of the capital paid up thereon 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 will 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, 2004 (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 to repurchase Shares may potentially have a material adverse impact on the working capital

position or gearing position of the Company as compared with its financial position as at June 30, 2004. No repurchase would be made in circumstances that may have a material adverse impact on the working capital or gearing position of the Company unless the Directors consider that such repurchases are in the best interests of the Company notwithstanding such material adverse impact.

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 <i>HK\$</i> | Lowest <i>HK\$</i> |
| 2003 | | |
| November | 25.60 | 22.50 |
| December | 25.85 | 23.30 |
| 2004 | | |
| January | 27.30 | 24.35 |
| February | 32.50 | 23.85 |
| March | 34.30 | 30.30 |
| April | 35.80 | 32.00 |
| May | 34.10 | 26.90 |
| June | 35.00 | 32.80 |
| July | 35.00 | 33.30 |
| August | 37.60 | 33.70 |
| September | 41.80 | 36.10 |
| October (up to the Latest Practicable Date) | 41.00 | 39.80 |

EFFECT OF THE TAKEOVERS CODE

If as a result of a repurchase of Shares, a shareholder's proportionate interest in the voting rights of the Company increases, such increase would be treated as an acquisition for the purposes of the Takeover Code. Accordingly, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's voting right at the time, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, Mr. Michael Ying holds, through Great View International Limited, a company wholly-owned by him, 367,926,352 Shares, representing approximately 30.83% of the total issued share capital of the Company as at such date. On such basis, if the Repurchase Mandate is fully exercised by the Company, it will increase his existing percentage shareholding of 30.83% in the Company to 34.25%, and it is possible that a mandatory offer obligation under the Takeovers Code might be triggered.

The Directors have no present intention to exercise the Repurchase Mandate to such an extent that will result in a mandatory offer being triggered under the Takeovers Code.

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 or its subsidiaries under the Repurchase Mandate if 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 do so, if 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.

REPURCHASES MADE BY THE COMPANY

The Company has not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING

ESPRIT

ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Shareholders of Esprit Holdings Limited will be held at Salon I, 1/F., Hotel Harbour Plaza Hong Kong, 20 Tak Fung Street, Hunghom, Hong Kong, on Friday, December 3, 2004 at 2:00 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 of the auditors of the Group for the year ended June 30, 2004.
- (2) To approve a final dividend for the year ended June 30, 2004.
- (3) To approve a special dividend for the year ended June 30, 2004.
- (4) To re-elect retiring Directors.
- (5) To re-appoint the auditors and to authorise the Directors to fix their remuneration.

And as special business, to consider and, if thought fit, to pass with or without modification the following resolutions of which resolutions numbers (6) to (8) will be proposed as ordinary resolutions and resolution number (9) will be proposed as a special resolution:

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”), 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% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (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 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 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;
 - (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 for the time being adopted by the Company for the granting or issuance of Shares or rights to acquire Shares, or (iii) 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 20% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution; and
 - (c) for the purposes of this resolution:
 - (i) “Relevant Period” shall have the same meaning as assigned to it under resolution number (6) set out in the notice convening this Meeting;
 - (ii) “Rights Issue” means an offer of Shares open for a period fixed by the Directors of the Company to the holders of Shares on a fixed record date in proportion to their then holdings of Shares (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).”

NOTICE OF ANNUAL GENERAL MEETING

- (8) “**THAT** subject to the passing of the resolutions numbers (6) and (7) above, the general mandate granted to the Directors of the Company to issue, allot and deal with any additional 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% of the total nominal amount of the share capital of the Company in issue on the date of passing this resolution.”

SPECIAL RESOLUTION

- (9) “**THAT** the Bye-laws of the Company be hereby amended as follows:
- (a) by deleting the existing definition of “clearing house” in Bye-law 1 and substituting therefor the following new definition:
- ““clearing house” a recognised clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or a clearing house or authorised shares depository recognised by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.”;
- (b) by deleting the existing definition of “Company” in Bye-law 1 and substituting therefor the following new definition:
- ““Company” Esprit Holdings Limited.”;
- (c) by adding the following new definitions of “associate” in Bye-law 1 in appropriate alphabetical order:
- ““associate” the meaning attributed to it in the rules of the Designated Stock Exchange.”;
- (d) by deleting the existing Bye-law 2(e) and substituting therefor the following new Bye-law 2(e):
- “2(e) expressions referring to writing shall, unless the contrary intention appears, be construed as including printing, lithography, photography and other modes of representing words or figures in a visible form, and including where the representation takes the form of electronic display, provided that both the mode of service of the relevant document or notice and the Member’s election comply with all applicable Statutes, rules and regulations;”;

NOTICE OF ANNUAL GENERAL MEETING

(e) by deleting the full stop “.” appearing at the end of Bye-law 2(j) and substituting therefor a semi-colon “;” and inserting the word “and” immediately after the semi-colon “;”;

(f) by inserting the following new Bye-law 2(k) after the existing Bye-law 2(j):

“2(k) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”;

(g) by deleting the existing Bye-law 6 and substituting therefor the following new Bye-law 6:

“6. The Company may from time to time by special resolution, subject to any confirmation or consent required by law, reduce its authorised or issued share capital or, save for the use of share premium as expressly permitted by the Act, any share premium account or other undistributable reserve.”;

(h) by deleting the words “Subject to the Act and these Bye-laws” at the beginning of Bye-law 12(1) and substituting therefor the words “Subject to the Act, these Bye-laws, any direction that may be given by the Company in general meeting”;

(i) by inserting the words “or by any means and in such manner as may be accepted by the Designated Stock Exchange” immediately after the words “any other newspapers in accordance with the requirements of any Designated Stock Exchange” in Bye-law 44;

(j) by deleting the existing Bye-law 46 and substituting therefor the following new Bye-law 46:

“46. Subject to these Bye-laws, any Member may transfer all or any of his shares by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange or in any other form approved by the Board and may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time.”;

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(k) by inserting the words “or by any means and in such manner as may be accepted by the Designated Stock Exchange” immediately after the words “and, where applicable, any other newspapers in accordance with the requirements of the Designated Stock Exchange” in Bye-law 51;

(l) by deleting the existing Bye-law 66 and substituting therefor the following new Bye-law 66:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Bye-laws, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a representative duly authorised under Section 78 of the Act), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Bye-laws, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless (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 such 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 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 Members having the right to vote at the 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 in the Company conferring a right to vote at the 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.

NOTICE OF ANNUAL GENERAL MEETING

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.”;

(m) by re-numbering the existing Bye-law 76 as Bye-law 76(1);

(n) by inserting the following new Bye-law 76(2):

“76(2) Where the Company has knowledge that any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”;

(o) by inserting the following words at the end of Bye-law 78:

“In addition, proxy or proxies representing either a Member who is an individual or a Member which is a corporation shall be entitled to exercise the same powers on behalf of the Member which he or they represent as such Member could exercise.”;

(p) by deleting the existing Bye-law 84(2) and substituting therefor the following new Bye-law 84(2):

“84(2) Where a Member is a clearing house (or its nominee(s) and, in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Bye-law shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) in respect of the number and class of shares specified in the relevant authorisation including the right to vote individually on a show of hands.”;

(q) by inserting the words “or at any special general meeting” immediately after the words “in accordance with Bye-law 87” in Bye-law 86(1);

NOTICE OF ANNUAL GENERAL MEETING

- (r) by deleting the existing Bye-law 86(4) and substituting the following new Bye-law 86(4):

“86(4) The Members may, at any general meeting convened and held in accordance with these Bye-laws, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything to the contrary in these Bye-laws or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement) provided that the notice of any such meeting convened for the purpose of removing a Director shall contain a statement of the intention so to do and be served on such Director fourteen (14) days before the meeting and at such meeting, such Director shall be entitled to be heard on the motion for his removal.”;

- (s) by deleting the existing Bye-law 87(1) and substituting therefor the following new Bye-law 87(1):

“87(1) Notwithstanding any other provisions in the Bye-laws, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation.”;

- (t) by deleting the existing Bye-law 88 and substituting therefor the following new Bye-law 88:

“88. No person, other than a Director retiring at the meeting shall, unless recommended by the Board for election, be eligible for election to the office of Director at any general meeting, unless both (i) notice in writing signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose that person for election as a Director and (ii) notice in writing signed by the person to be proposed of his willingness to be elected shall have been lodged at the Office or at the head office of the Company at least seven (7) days before the date of the general meeting. The period for lodgment of the notices required under this Bye-law shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.”;

- (u) by deleting the words “whereupon the Board resolves to accept such resignation” appearing at the end of Bye-law 89(1);

NOTICE OF ANNUAL GENERAL MEETING

- (v) by deleting the existing Bye-law 101 and substituting therefor the following new Bye-law 101:

“101. Subject to the Act and to these Bye-laws, no Director or proposed or intending Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatever, nor shall any such contract or any other contract or arrangement in which any Director or his associate(s) is/are in any way interested be liable to be avoided, nor shall any Director or his associate(s) so contracting or being so interested be liable to account to the Company or the Members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established provided that such Director shall disclose the nature of his interest or that of his associate(s) in any contract or arrangement in which he or his associate(s) is/are interested in accordance with Bye-law 102 herein.”;

- (w) by deleting the existing Bye-law 102 and substituting therefor the following new Bye-law 102:

“102. A Director who is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest or that of his associate(s) at the meeting of the Board at which the question of entering into the contract or arrangement is first considered, if he knows his interest or that of his associate(s) then exists, or in any other case at the first meeting of the Board after he knows that he or any of his associate(s) is/are or has/have become so interested. For the purposes of this Bye-law, a general notice to the Board by a Director to the effect that:

- (a) he or any of his associate(s) is/are member(s) or officer(s) of a specified company or firm and is/are to be regarded as interested in any contract or arrangement which may after the date of the notice be made with that company or firm; or
- (b) he or any of his associate(s) is/are to be regarded as interested in any contract or arrangement which may after the date of the notice be made with a specified person who is connected with him/them;

shall be deemed to be a sufficient declaration of interest under this Bye-law in relation to any such contract or arrangement, provided that no such notice shall be effective unless either it is given at a meeting of the Board or the Director takes reasonable steps to secure that it is brought up and read at the next Board meeting after it is given.”;

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- (x) by deleting the existing Bye-law 103 and substituting therefor the following new Bye-law 103:

“103(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associate(s) is/are materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associate(s) or obligations incurred or undertaken by him or any of his associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interest or that of his associate(s) in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as officer(s) or executive(s) or shareholder(s) or in which the Director and any of his associate(s) are not in aggregate beneficially interested in five (5) per cent. or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived); or

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- (vi) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.
- 103(2) A company shall be deemed to be a company in which a Director and/or his associate(s) own(s) five (5) per cent. or more if and so long as (but only if and so long as) he and/or his associate(s), (either directly or indirectly) are the holders of or beneficially interested in five (5) per cent. or more of any class of the equity share capital of such company or of the voting rights available to members of such company (or of any third company through which his interest or that of any of his associates is derived). For the purpose of this paragraph there shall be disregarded any shares held by a Director or his associate(s) as bare or custodian trustee and in which he or any of them has no beneficial interest, any shares comprised in a trust in which the interest of the Director or his associate(s) is/are in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust scheme in which the Director or his associate(s) is/are interested only as a unit holder.
- 103(3) Where a company in which a Director and/or his associate(s) holds five (5) per cent. or more is materially interested in a transaction, then that Director and/or his associate(s) shall also be deemed materially interested in such transaction.
- 103(4) If any question shall arise at any meeting of the Board as to the materiality of the interest of a Director or his associate(s) (other than the chairman of the meeting) or as to the entitlement of any Director (other than such chairman) to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to such other Director or his associate(s) shall be final and conclusive except in a case where the nature or extent of the interest of the Director concerned or of his associate(s) as known to such Director has not been fairly disclosed to the Board. If any question as aforesaid shall arise in respect of the chairman of the meeting such question shall be decided by a resolution of the Board (for which purpose such chairman shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman or his associate(s) as known to such chairman has not been fairly disclosed to the Board.”;

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(y) by re-numbering the existing Bye-law 136 as Bye-law 136(1);

(z) by inserting the following new Bye-law 136(2):

“136(2) Notwithstanding any provision contained in these Bye-laws, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (e) of paragraph (1) of this Bye-law and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Bye-law shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.”;

(aa) by deleting the existing Bye-law 153 and substituting therefor the following new Bye-law 153:

“153. Subject to Section 88 of the Act and Bye-law 153A, a printed copy of the Directors’ report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors’ report, shall be sent to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and at the same time as the notice of the general meeting and shall be laid before the Company in general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any shares or debentures.”;

(bb) by inserting the following new Bye-law 153A:

“153A. To the extent permitted by and subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Bye-law 153 shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, a summary financial statement derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable

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laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors' report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to a summary financial statement, a complete printed copy of the Company's annual financial statement and the directors' report thereon.”;

(cc) by inserting the following new Bye-law 153B:

“153B. The requirement to send to a person referred to in Bye-law 153 the documents referred to in that provision or a summary financial report in accordance with Bye-law 153A shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Bye-law 153 and, if applicable, a summary financial report complying with Bye-law 153A, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.”;

(dd) by deleting the existing Bye-law 154(2) and substituting therefor the following new Bye-law 154(2):

“154(2) Subject to Section 89 of the Act, a person, other than a retiring Auditor, shall not be capable of being appointed Auditor at an annual general meeting unless notice in writing of an intention to nominate that person to the office of Auditor has been given not less than twenty-one (21) days before the annual general meeting and furthermore, the Company shall send a copy of any such notice to the retiring Auditor.”;

(ee) by deleting the existing Bye-law 160 and substituting therefor the following new Bye-law 160:

“160. Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Bye-laws from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on

NOTICE OF ANNUAL GENERAL MEETING

or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory of and in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a "notice of availability"). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.";

(ff) by deleting the word "and" appearing at the end of Bye-law 161(a);

(gg) by renumbering the existing Bye-law 161(b) as a new Bye-law 161(c);

(hh) by inserting the following new Bye-law 161(b):

"161(b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;"

(ii) by deleting the full stop "." appearing at the end of the new Bye-law 161(c) and substituting therefore a semi-colon ";" and inserting the word "and" immediately after the semi-colon ";"

(jj) by inserting the following new Bye-law 161(d):

"161(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.";

NOTICE OF ANNUAL GENERAL MEETING

(kk) by inserting the words “or electronic” immediately after the words “a cable or telex or facsimile” in the first line of Bye-law 163; and

(ll) by deleting the word “respecting” in Bye-law 168 and substituting therefore the words “in respect of”.

By order of the Board
John Poon Cho Ming
Deputy Chairman

Hong Kong, October 20, 2004

Principal Place of Business in Hong Kong:

10/F., 11 Yuk Yat Street

Tokwawan

Kowloon

Hong Kong

Notes:

- (a) The Register of Members will be closed from Tuesday, November 30, 2004 to Friday, December 3, 2004, both days inclusive, during which period no transfer of Shares of the Company can be registered.
- (b) Any member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, to 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.
- (c) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company’s branch share registrar in Hong Kong, Secretaries Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding of the Annual General Meeting or adjourned meeting.



ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 330)

FORM OF PROXY FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD ON FRIDAY, DECEMBER 3, 2004 (AND AT ANY ADJOURNMENT THEREOF)

I/We (Note 1) _____
of _____
being the registered holder(s) of (Note 2) _____
shares of HK\$0.10 each in the share capital of Esprit Holdings Limited (the "Company"), hereby appoint THE CHAIRMAN OF THE MEETING (the "Chairman") or (Note 3) _____
of _____

as my/our proxy to attend and vote for me/us on my/our behalf in the manner indicated below, at the Annual General Meeting (the "Meeting"), and at any adjournment thereof, of the Company to be held at Salon I, 1/F., Hotel Harbour Plaza Hong Kong, 20 Tak Fung Street, Hunghom, Hong Kong on Friday, December 3, 2004 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the resolutions as set out in the notice (the "Notice") convening the Meeting (Note 4).

| | Resolutions | For | Against |
|----|---|-----|---------|
| 1. | To receive and consider the audited consolidated financial statements and the reports of the directors and of the auditors for the year ended June 30, 2004. | | |
| 2. | To approve a final dividend of 48 Hong Kong cents per share for the year ended June 30, 2004. | | |
| 3. | To approve a special dividend of 50 Hong Kong cents per share for the year ended June 30, 2004. | | |
| 4. | To re-elect the following directors: | | |
| | (i) Mr. John POON Cho Ming | | |
| | (ii) Mr. Alexander Reid HAMILTON | | |
| | (iii) Mr. Simon LAI Sau Cheong | | |
| | (iv) Mr. Jerome Squire GRIFFITH | | |
| 5. | To re-appoint Messrs. PricewaterhouseCoopers as auditors and to authorize the directors to fix their remuneration. | | |
| 6. | To grant a general mandate to the directors to purchase shares not exceeding 10% of the issued share capital of the Company in accordance with ordinary resolution no. 6 as set out in the Notice. | | |
| 7. | To grant a general mandate to the directors to issue, allot and deal with additional shares not exceeding 20% of the issued share capital of the Company in accordance with ordinary resolution no. 7 as set out in the Notice. | | |
| 8. | To extend the general mandate granted to the directors to issue shares by the number of shares repurchased in accordance with ordinary resolution no. 8 as set out in the Notice. | | |
| 9. | To approve the amendments to the Bye-laws of the Company in accordance with special resolution no. 9 as set out in the Notice. | | |

Dated this _____ day of _____ 2004

Shareholder's Signature (Note 5) _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the Company registered in your name(s).
3. If any proxy other than the Chairman is preferred, strike out "the Chairman of the Meeting or" and insert the name and address of the proxy desired in the space provided. A member entitled to attend and vote at the Meeting may appoint one or more proxies to attend and, in the event of a poll, vote on his/her behalf provided that if more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed. **IF NO NAME IS INSERTED, THE CHAIRMAN OF THE MEETING WILL ACT AS PROXY. ANY ALTERATION MADE TO THIS FORM OF PROXY MUST BE INITIALED BY THE PERSON WHO SIGNS IT.**
4. **IMPORTANT: IF YOU WISH TO VOTE FOR ANY RESOLUTION, PUT A "✓" IN THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST ANY RESOLUTION, PUT A "✓" IN THE BOX MARKED "AGAINST".** Failure to complete any or all boxes will entitle your proxy to cast your votes or abstain at his/her discretion. Your proxy will also be entitled to vote or abstain at his/her discretion on any resolution properly put to the Meeting other than those referred to in the Notice convening the Meeting.
5. This form of proxy must be signed by you or your attorney duly authorized in writing or, in the case of a corporation must be either executed under its common seal or under the hand of an officer or attorney duly authorized.
6. In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members.
7. To be valid, this form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar in Hong Kong, Secretaries Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting.
8. The proxy need not be a member of the Company but must attend the Meeting in person to represent you.
9. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Meeting if you so wish.