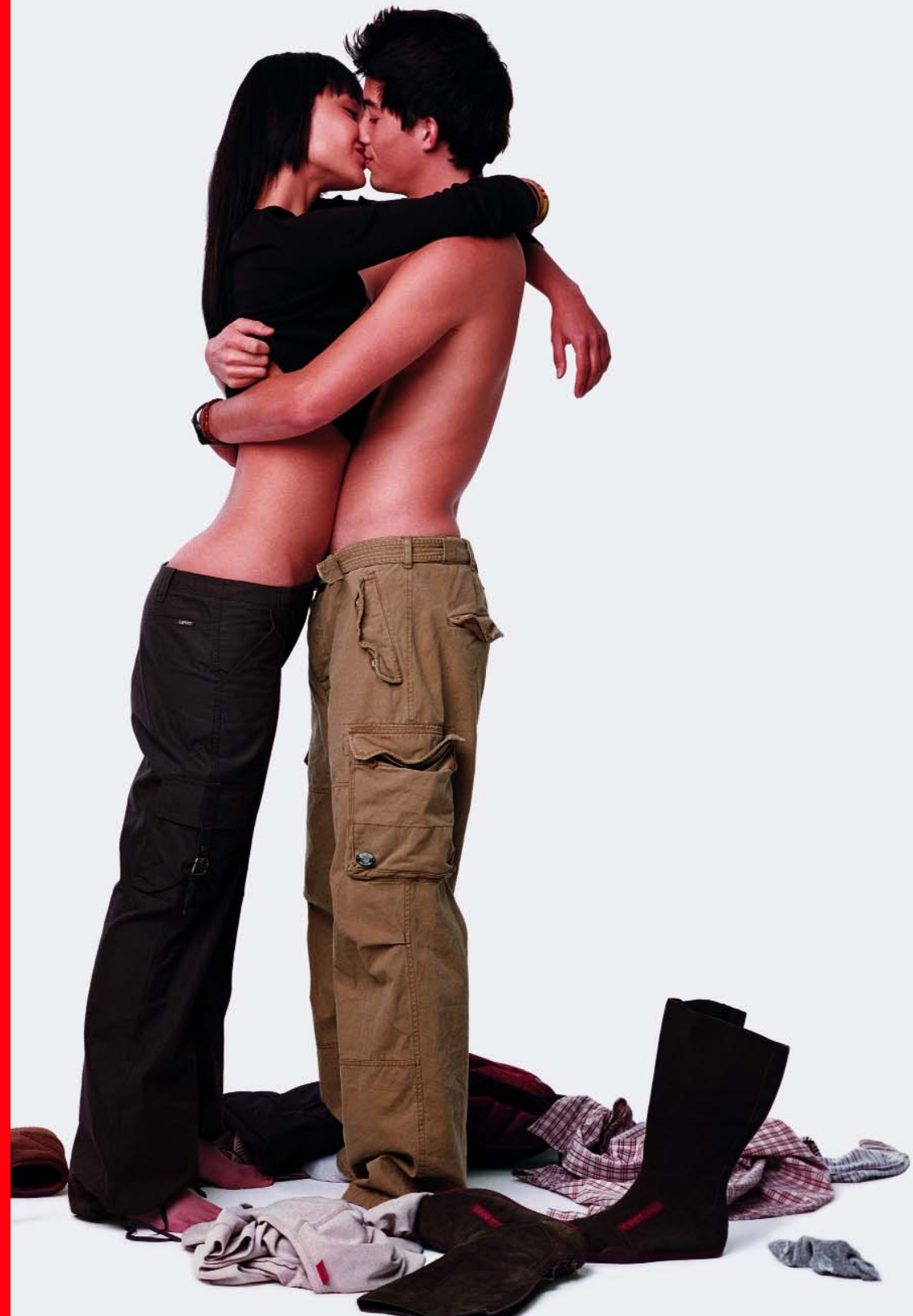
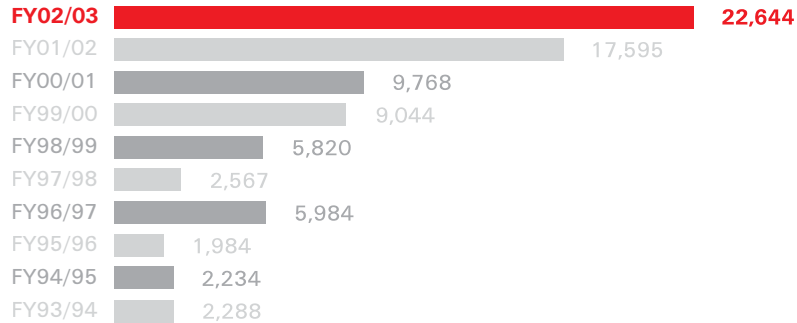


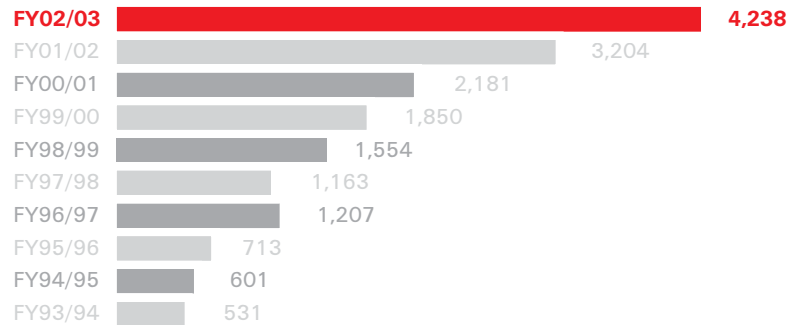
a
historical year,
an important
milestone
for
ESPRIT



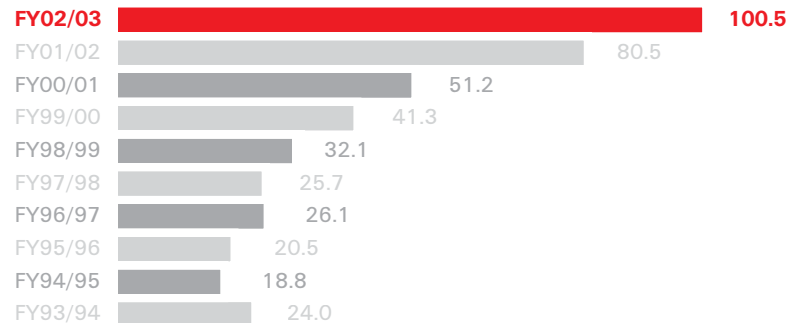
MARKET CAPITALIZATION# (HK\$ MN)



SHAREHOLDERS' FUNDS (HK\$ MN)



EARNINGS PER SHARE (BASIC) (HK¢)



as at financial year end

Dear Shareholders,

The 2002/03 fiscal year carried historical significance for Esprit in many ways.

2003 marks the 35th anniversary of the ESPRIT brand and the Company's tenth year as a listed entity on the Stock Exchange of Hong Kong. Since the infancy of the Esprit Group, this is also the first year in which the ESPRIT brand worldwide is reunited into one global corporation. Having been through the ups and downs with Esprit for over three decades, I am very proud to see that the Company has completed a decade of growth with outstanding results for the past financial year. Despite a weak global economy and difficult retail environment, Group turnover increased by 34% to HK\$12.38 billion and net profit rose to HK\$1.19 billion, a 28% growth from the previous year. Earnings per share and proposed final dividend per share have also demonstrated a 25% and 91% increase respectively.

Our commitment in corporate excellence is evident not only from our stellar financial performances but also from the numerous awards we have attained. In the past fiscal year, Esprit has been ranked one of the best in corporate strategy and in corporate governance in Hong Kong, just to name a few.

Fueled by industry recognition and financial strength, we will continue to strive for future growth and increased return. From a geographical perspective, we are presented with incredible opportunities as our major markets in Europe, Asia and North America go through different phases of development. From a strategic point of view, we are implementing a global strategy that leverages on our international presence and economies of scale while allowing for timely responses to market needs through local execution. With a solid foundation for continuous growth, we are confident that the years ahead will be even brighter as Esprit becomes more than a brand, but a lifestyle of quality, value, and style.

Of course, none of these would be possible without the support of our shareholders, the collaboration of our business partners, and the dedication of our talented employees. Also, I'd like to take this opportunity to report some changes and addition to our Board – Heinz Krogner, who is formerly the CEO of our European operations, has taken my place as the Group CEO while I remain the Chairman of the Board; Thomas Grote and Paul Cheng have joined our Board as Executive Director and Independent Non-executive Director respectively. Under the leadership of our Directors, I am confident that Esprit will continue to expand globally and evolve into a lifestyle of choice by customers all over the world.

Michael YING
Chairman of the Board
September 18, 2003