

Chairman's Letter

Dear fellow shareholders,

Esprit, the team, has again for the 13th consecutive year achieved growth both in record sales and earnings. The growth comes from all Esprit product lines with healthy margins, each again demonstrates that the Company still holds a very strong and solid foundation for future growth.

This is also my 13th statement and the last time that I will be writing to you as the Chairman of Esprit since listed in 1993. I personally feel that the momentum we have in Esprit today is quite ideal for the initiation and implementation of a chain of succession so that young hot shots can be put in place to deal with the challenges ahead. The change in my view is, the sooner the better. To make my determination absolutely clear, I will be stepping down as Chairman of the Board effective as of December 5, 2006 at the end of the 2006 Annual General Meeting.

The Board has fully supported Heinz Krogner to be the new Chairman of the Board as he is definitely the man for the job for Esprit at this point. I want to extend my appreciation to Heinz for all his achievements at Esprit for the last 10 years and wish him a much bigger success for the future.

I also want to take this opportunity to thank our Board for its guidance and support, all the employees for their important roles and contribution and hard work. I also want to thank all of our suppliers, business associates and the investment community for their support and trust over the years.

Even though I will not be fighting fires with Heinz and his team on a regular basis, but my heart and a big chunk of my asset is still very much tied up with Esprit.

Michael Ying

Chairman of the Board

September 13, 2006

pure

confidence

turnover (HK\$ MN)

FY 05 06	23,349
FY 04 05	20,632
FY 03 04	16,357
FY 02 03	12,381
FY 01 02	9,219

earnings per share (basic) (HK\$)

FY 05 06	3.09
FY 04 05	2.68
FY 03 04	1.65
FY 02 03	1.07
FY 01 02	0.86

operating profit (EBIT) (HK\$ MN)

FY 05 06	4,765
FY 04 05	4,075
FY 03 04	2,837
FY 02 03	1,811
FY 01 02	1,373

dividend per share^Δ (HK\$)

FY 05 06	2.31
FY 04 05	1.95
FY 03 04	1.17
FY 02 03	0.70
FY 01 02	0.28

net profit (HK\$ MN)

FY 05 06	3,737
FY 04 05	3,211
FY 03 04	1,969
FY 02 03	1,276
FY 01 02	993

market capitalization* (HK\$ MN)

FY 05 06	77,373
FY 04 05	67,468
FY 03 04	41,650
FY 02 03	22,644
FY 01 02	17,595

Δ include special dividend

* as at financial year end

** the financial information in respect of FY2002|2003, FY2003|2004, FY2004|2005 has been restated as the Group adopted IFRS retrospectively with effect from July 1, 2002.