

For Immediate Release



Esprit Announces Interim Results for FY2022

***Recorded second consecutive profitable half-year
Esprit back on track to consistent growth to regain pinnacle market position***

(30 August 2022, Hong Kong) – **ESPRIT HOLDINGS LIMITED** (the “Company”, together with its subsidiaries, the “Group” or “Esprit”, HKEx: 00330) has announced its unaudited financial interim results for the six months ended 30 June 2022 (the “Period”).

The Group has recorded total revenue of HK\$3,626 million for the Period, as compared to the total revenue of HK\$3,872 million for the six months ended 30 June 2021 (the “Corresponding Period”), representing a decrease of 6%. The decrease in revenue was primarily due to the depreciation of the Euro against the Hong Kong dollar. If the revenue for the Period were to be translated by the exchange rate for the Corresponding Period, the revenue would be HK\$3,934 million which would have been an increase of 2% from the Corresponding Period. Meanwhile, gross profit margin was 45.8%, marginally lower than the corresponding figures of 46.9% for the Corresponding Period.

As a result, the Group recorded an unaudited profit attributable to the shareholders of the Company of HK\$13 million for the Period (for the six months ended 30 June 2021: HK\$121 million), marking the second consecutive profitable half-year since the financial year ended 30 June 2017. The decrease in profit in the Period in comparison to the Corresponding Period is mainly attributable to the decrease in revenue resulting in the corresponding drop in gross profit; and foreign exchange translation losses of HK\$99 million was incurred for the Period as compared to foreign exchange translation gains of HK\$87 million for the Corresponding Period.

Mr. PAK William Eui Won, Executive Director and Chief Executive Officer, said, “There have been many challenges persisting throughout the first half of 2022, but attributing the success to the Group’s dynamic corporate structure, management team, and dedicated staff at ESPRIT, they have been playing a core role for the Company to navigate through such a tough environment and remain marginally profitable during the Period. I am pleased to say that the strategies and infrastructure mentioned in the 2021 Annual Report is showing consistent positive results and profitable growth, forming a solid platform for future expansion to new markets. Given a financially strong and healthy balance sheet, the Company will continue to invest whenever good opportunities arise.”

Esprit is a unique retail brand with great history and tradition. The Company continues to look deep into its roots, the brand DNA, while building a bright and successful future via some positive initiatives which include: (1) investing significantly in rebuilding Esprit's brand equity, re-establishing and improving the Esprit brand image to be achieved through active collaborations with highly reputable industry creatives, cross brand partnerships, influencer design capsules, and sustainability events; (2) putting and accelerating Esprit at the forefront in digitalization for the retail and high fashion business by improving trading ability for the European website, upgrading internal digital capabilities, establishing an innovative hub - Esprit Futura - in Amsterdam, and launching website and digital commerce platforms in the USA, Canada, Central America and South America; (3) demonstrating the Company's well-known and longstanding commitment to be at the forefront of being a socially responsible corporate citizen in areas such as the environment and sustainability; and (4) re-entering numerous key Asian markets, including Hong Kong, Korea, Taiwan, and the Philippines, in addition to pop-up stores, proprietary websites and partners' portals.

Mr. Pak stressed, "The brand's return to Hong Kong and re-entry to Asia is one of the strategies in repositioning Esprit as an international brand with omnipresence and relevance to its customers. This combined with the improvements to Esprit such as product offering, marketing, and digital content, aims to put the Company back on track to regaining market position and consistent sustainable growth."

Looking ahead, the Company is determined to march on towards persistent and sustainable profitable growth. Through the remainder of the year, the Group will continue to focus on initiatives to drive sales, enhance operational efficiency, paying particular attention to the fading effects of the COVID-19 pandemic and optimizing the cost structure in order to improve the overall performance of the business. In the long term, the Group's strategic focus will be on revival of the great Esprit brand, bring satisfaction to our customers through enjoyable and convenient shopping experience, quality but reasonable priced products, and a well-thought-out omni-channel for sales delivery.

Ms. CHIU Christin Su Yi, Executive Director and Chairperson, concluded, "While unsettling external factors may somewhat affect the business, the financial results of the Company during the Period demonstrate that with bold actions, agility and hard work, the Company was able to continuously and consistently march towards a brighter and exciting future. The Company remains cautiously confident and optimistic about the near future and will continue staying focused and connected to ensure it can adapt and react to the changing and challenging environment as efficiently as possible."

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About ESPRIT

Founded in California in 1968 by Doug Tompkins and Susie Buell, ESPRIT was the world's first lifestyle brand inspired by the human spirit. But more than a birthplace, California represents the brand's sensibility: positive, upbeat, and easy-going. Embracing a larger-than-life attitude that is both experimental and pioneering, with a youthful state-of-mind fueled by creativity and a love of design.

The successes of ESPRIT over the years is due by and large to its original ideals: promoting love and peace, celebrating people, and bringing like-minded folks together to deliver joy to the world. This is the true essence of "ESPRIT de corps."

ESPRIT is a true hybrid of relevant dressing essentials and fashion-forward styles fit for every occasion and every wardrobe. Conscious and committed, the brand is lauded for its passion for people and the planet. Example: In the mid-80s, ESPRIT made headlines with its "Real People" campaign that featured employees and customers instead of models, and in the early 90s, debuted its first "eCollection" made of 100% organic cotton.

The first authentic brand of its kind, ESPRIT was also known for its revolutionary shopping experience, embodying its vibrant spirit in every way and in every detail. Keeping this spirit alive, ESPRIT today has a presence in more than 30 markets around the world. The Group has been listed on the Hong Kong Stock Exchange since 1993, and ESPRIT's international headquarters is located in Hong Kong.

<https://www.esprit.hk/>

For media enquiries (Asia), please contact:

Strategic Financial Relations Limited

Ms. Heidi So

Email: sprg_esprit@sprg.com.hk / heidi.so@sprg.com.hk

Investor Relations:

Esprit Holdings Limited

Ms. Jennifer Lui

Email: jennifer.lui@esprit.com

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