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ESPRIT

ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 00330

RE-DESIGNATION OF DIRECTOR CHANGE OF EXECUTIVE DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER

The Board of Directors (the “Board”) of Esprit Holdings Limited (the “Company”) announces the following changes: -

1. Dr Raymond Or Ching Fai (“Dr Or”) will be re-designated from Independent Non-Executive Chairman of the Board and Independent Non-Executive Director of the Company to Executive Chairman of the Board and Executive Director of the Company effective 1 April 2018;
2. Mr Jose Manuel Martínez Gutiérrez (“Mr Martínez”) will step down as Executive Director of the Company and Group Chief Executive Officer effective 1 June 2018; and
3. Mr Anders Kristiansen (“Mr Kristiansen”) has been appointed to succeed Mr Martínez as Executive Director of the Company and Group Chief Executive Officer effective 1 June 2018.

Dr Or will take the role of Executive Chairman, a position that existed in the past in Esprit, in order to play a more active role in the next phase of the Group’s strategy, which includes a very ambitious plan for China.

In respect of Mr Martínez’s departure, Dr Or said:

“We very much regret losing Mr Martínez as his contribution has been most valuable to Esprit. Over the past 5 years, he reversed a severe declining trend of the Group’s results by stabilizing operations, restructuring the organization, and improving overall profitability. After this phase of bottom line recovery is completed, the Group enjoys a sound financial position, with no debt and net cash of HK\$4,575 million as of 31 December 2017. This healthy financial situation enables a new phase focused on driving top line performance in the coming years. We would like to wish Mr Martínez all the best in his future endeavours.”

Mr Martínez said:

“It has been a great privilege to have led Esprit during these years and to complete the transformation of the Company. I take this opportunity to wholeheartedly thank the Board and the fantastic teams in Esprit for their impressive dedication and hard work. Our Group is strong and well equipped, and I am convinced that the new leadership will bring a positive impulse to take on the challenges ahead. I will stay on to support a smooth transition into the new scheme in the coming months.”

Commenting on Mr Kristiansen’s appointment, Dr Or said:

“Mr Kristiansen is a well-rounded and seasoned executive in the fashion industry, with extensive experience in successful business development both in Europe and Asia, especially China. As former CEO of New Look Retail Group Ltd (“New Look”), Mr Kristiansen has a sound track record of leading complex growth and expansion projects. The Board has every confidence that Mr Kristiansen will successfully lead Esprit into the next phase of growth and look forward to working with him to achieve that goal.”

Mr Kristiansen said:

“Having followed the Company’s progress closely over recent years, I am honoured and excited to join Esprit as Group Chief Executive Officer. Esprit is a strong, global brand at an exciting juncture, and I will focus on leveraging the Company’s enormous potential to deliver long-term shareholder value. Our objective will be to recapture market share and ultimately return the Company to growth. I look forward to working with Dr Or, the Board and all colleagues at Esprit to achieve this.”

Supplementary information:

Dr Raymond Or Ching Fai, aged 68, was appointed as Independent Non-Executive Director in March 1996 and became the Independent Non-Executive Chairman of the Board since June 2012. He is also the Chairman of the Nomination Committee of the Board, a director of a subsidiary and a trustee of a trust of the Company.

He was conferred an Honorary Doctor of Social Science by the City University of Hong Kong in November 2014. Dr Or is currently an executive director and executive chairman of China Strategic Holdings Limited (“CSHL”), but he will step down from the executive role to become the non-executive director and non-executive chairman of CSHL on or before 1 April 2018. Dr Or is also an independent non-executive director of Chow Tai Fook Jewellery Group Limited, Industrial and Commercial Bank of China Limited, Regina Miracle International (Holdings) Limited and Television Broadcasts Limited. All these companies are listed on The Stock Exchange of Hong Kong Limited. He was the former vice chairman and chief executive of Hang Seng Bank Limited, the former chairman of Hang Seng Life Limited and a director of The Hongkong and Shanghai Banking Corporation Limited, Cathay Pacific Airways Limited and Hutchison Whampoa Limited until his retirement in May 2009. Dr Or was also the former vice chairman and independent non-executive director of

G-Resources Group Ltd. and the former deputy chairman and non-executive director of Aquis Entertainment Limited (a company listed on the Australian Securities Exchange). Dr Or was also the former chief executive officer of CSHL until he stepped down in January 2018.

Dr Or has entered into a service contract with the Company, which may be terminated by either party by serving 12 months' notice in writing. As Executive Chairman of the Board and Executive Director of the Company, Dr Or is entitled to a salary of HK\$11,000,000 per annum with annual guaranteed bonus of HK\$4,500,000. He will be granted 8,000,000 share options pursuant to the share option scheme of the Company adopted on 10 December 2009 ("2009 Share Option Scheme") within six months from the commencement of the term of his service contract. He is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company.

Dr Or is interested or deemed to be interested in 3,000,000 shares of the Company and holds 450,000 share options granted to him pursuant to the 2009 Share Option Scheme, representing 0.18% of the total issued share capital of the Company. Out of his interest in 3,000,000 shares of the Company, 200,000 shares were jointly held by himself and his spouse, Mrs Or Wong Lai Ning.

Mr Anders Kristiansen, aged 51, is currently an industrial advisor for a global private equity fund, Permira. He was previously the chief executive officer and director of New Look, a global fast fashion apparel company based in London, from January 2013 to September 2017. Under his leadership, New Look transformed its business model from a traditional high street retailer to a strong omnichannel player, with an enhanced focus on brand building. Mr Kristiansen was instrumental to the successful execution of a 5-year strategic plan. Prior to this role, he has held various senior executive roles in the Bestseller Fashion Group China, Staples Inc. in China, and in Lyreco, an office supplies company, where he managed the business in Europe and then in Asia Pacific.

Mr Kristiansen has entered into an employment contract with the Company that may be terminated by either party by serving 12 months' notice in writing. Mr Kristiansen is entitled to a salary of EUR1,400,000 per annum with annual discretionary bonus opportunity of EUR1,400,000 of which the first 12 months are guaranteed, and a car allowance of EUR40,000 per annum. As soon as practicable, following the commencement of the term of Mr Kristiansen's employment, (i) 2,000,000 awarded shares will be granted to him (or through a company designated and wholly-owned by him) in accordance with the rules of the employees' share award scheme of the Company adopted on 17 March 2016; and (ii) 8,000,000 share options will be granted to Mr Kristiansen pursuant to the 2009 Share Option Scheme. Furthermore, subject to certain conditions, when Dr Or steps down from his executive role and re-designates from Executive Chairman of the Board and Executive Director of the Company to Non-Executive Chairman of the Board and Non-Executive Director of the Company, Mr Kristiansen will be further granted 2,000,000 share options pursuant to the 2009 Share Option Scheme or other share option scheme adopted by the Company from time to time. He is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company.

Mr Jose Manuel Martínez Gutiérrez has confirmed that he has no disagreement with the Board and there are no matters in relation to his departure that need to be brought to the attention of the holders of securities of the Company. Mr Martínez has decided to resign for personal reasons and he has expressed his wish to pursue other interests.

Other disclosures

The remunerations of Dr Or and Mr Kristiansen have been reviewed by the Remuneration Committee and were determined with reference to their respective qualifications, experience, duties and responsibilities within the Group as well as the prevailing market conditions.

Save as disclosed above, as at the date of this announcement, (i) Dr Or and Mr Kristiansen have not held any other directorships in listed public companies in the last three years; (ii) none of Dr Or or Mr Kristiansen have any relationship with any director, member of senior management, or substantial or controlling shareholder of the Company; and (iii) none of Dr Or or Mr Kristiansen have any other interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save as disclosed above, as at the date of this announcement, there is no other information in relation to the re-designation of Director and the change of Executive Director and Group Chief Executive Officer that is required to be disclosed pursuant to Rules 13.51(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, nor there is any other matters that need to be brought to the attention of the holders of securities of the Company.

By Order of the Board
Florence Ng Wai Yin
Company Secretary

Hong Kong, 21 March 2018

As at the date of this announcement, the Board comprises (i) Mr Jose Manuel Martínez Gutiérrez (Group Chief Executive Officer) and Mr Thomas Tang Wing Yung (Group Chief Financial Officer) as Executive Directors; (ii) Mr Jürgen Alfred Rudolf Friedrich as Non-executive Director; and (iii) Dr Raymond Or Ching Fai (Chairman), Mr Paul Cheng Ming Fun (Deputy Chairman), Dr José María Castellano Ríos, Mr Alexander Reid Hamilton, Mr Carmelo Lee Ka Sze and Mr Norbert Adolf Platt as Independent Non-executive Directors.