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ESPRIT

ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)
STOCK CODE: 00330

UPDATE ON PROFIT WARNING

This announcement is made by Esprit Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

Reference is made to the announcement of the Company dated 21 June 2018 (the “Profit Warning Announcement”) in relation to the profit warning of the Group for the financial year ended 30 June 2018 (“FY17/18”). As disclosed in the Profit Warning Announcement, based on the preliminary review by board of directors of the Company (the “Board”) of the unaudited consolidated management accounts of the Group for the eleven months ended 31 May 2018, the Group is expected to record a Loss Before Interest and Taxation (“LBIT”) in the range of approximately HK\$(2,170) million to HK\$(2,270) million for FY17/18.

Since the date of the Profit Warning Announcement, FY17/18 has come to an end and the Board has further reviewed the unaudited consolidated management accounts of the Group for the full financial year FY17/18 (the “Full Year Management Accounts”). The Board wishes to update the shareholders of the Company (“Shareholders”) and potential investors that:

1. LBIT of the Group for FY17/18 is expected to be approximately HK\$(2,250) million, very much in line with the range disclosed in the Profit Warning Announcement; and
2. With respect to taxation, based on assessment by the Board with reference to the Full Year Management Accounts, net taxation for FY17/18 is estimated to be approximately HK\$(328) million, mainly comprised of a write down of deferred tax assets in association with the German operations, which is a non-cash item, due to continued decline of the business in recent years.

Aggregating the above items and net interest income, total net loss attributable to Shareholders of the Group for FY17/18 is expected to be approximately HK\$(2,550) million, as compared to a profit attributable to Shareholders of HK\$67 million for the financial year ended 30 June 2017.

The Company is in the process of finalising the consolidated financial statement of the Group for FY17/18. The information contained in this announcement is only based on the information currently available to the Company and the preliminary assessment by the Board with reference to the Full Year Management Accounts which have not been confirmed or reviewed by the Company's auditors as at the date of this announcement. The audited final results of the Group for FY17/18 are expected to be published before the end of September 2018.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Florence Ng Wai Yin
Company Secretary

Hong Kong, 7 August 2018

As at the date of this announcement, the Board comprises (i) Dr Raymond Or Ching Fai (Executive Chairman), Mr Anders Christian Kristiansen (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) 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.