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

INSIDE INFORMATION
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 announcements of the Company dated 16 March 2020, 27 March 2020, 27 April 2020 and 1 July 2020 (the “**Announcements**”) in relation to, among other matters, the impact of the Pandemic. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, since the outbreak of the Pandemic, many European countries have implemented various public health measures, including lockdowns of varying degrees, in order to slow down the spread of Covid-19. These measures have resulted in the temporary closure of all of the Group’s stores in Germany and most other European countries from about March 2020 to mid-May 2020. On 27 March 2020, as a precautionary countermeasure to protect the solvency and liquidity of the Group (and most notably the European Subsidiaries) and ongoing business operations of the Group in the midst of the Pandemic, the six Subject Subsidiaries successfully applied for the initiation of Protective Shield Proceedings in Germany. Since then, the management of the Subject Subsidiaries has been actively working to prepare the Restructuring Plan and the Court has approved the Subject Subsidiaries to continue with their self-administration process. In addition to the Protective Shield Proceedings, the Company would continue to focus its resources and recalibrate its operations to become a more effective and efficient organisation.

The Board would like to update the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the unaudited consolidated management accounts of the Group for the financial year ended 30 June 2020 (“**FY 19/20**”) and information currently available to the Board, the Company is expected to record a loss before interest and tax of approximately HK\$3,400 million (for the financial year ended 30 June 2019 (“**FY 18/19**”): HK\$2,080 million) and a net loss of approximately HK\$3,900 million (FY 18/19: HK\$2,144 million). The estimated loss was primarily attributable to the material adverse impact

caused by the Pandemic, including (i) the sharp decline of the Group's revenue by approximately 24% from HK\$12,932 million for FY 18/19 to approximately HK\$9,900 million for FY 19/20; and (ii) the negative impact of exceptional items of approximately HK\$2,400 million comprising, among others, impairment on trademarks, property, plant and equipment and rights-of-use assets, provisions for store closures and severance payments.

As the Company is still in the course of finalising its annual results for FY 19/20, the information contained in this announcement is only a preliminary estimation performed by the management of the Company based on the currently available information which is still subject to possible adjustment arising from further internal review by the Board and the auditors of the Company. Details of the audited financial results of the Company for FY 19/20 will be announced by the Company in late September 2020 in accordance with the requirements under the Listing Rules.

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

By Order of the Board
Ophelia LO Tik Man
Company Secretary

Hong Kong, 12 August 2020

Dates and times stated in this announcement refer to Hong Kong time unless otherwise specified.

As at the date of this announcement, the Board comprises the following directors:

Executive Directors:

Mr. Anders Christian KRISTIANSEN
(Group Chief Executive Officer)
Dr. Johannes Georg SCHMIDT-SCHULTES
(Group Chief Financial Officer)
Mr. Marc Andreas TSCHIRNER
(Group Chief Operating Officer)
Ms. CHIU Su Yi Christin
(Group Legal and Public Relations Officer)
Mr. Hung Wai WONG
(Group Chief Investment Officer)

Non-executive Directors:

Dr. Raymond OR Ching Fai
(Non-executive Chairman)
Mr. Jürgen Alfred Rudolf FRIEDRICH

Independent Non-executive Directors:

Mr. Carmelo LEE Ka Sze
Ms. Sandrine Suzanne Eleonore Agar ZERBIB
Mr. Joseph LO Kin Ching
Mr. CHUNG Kwok Pan