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ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 00330

**INSIDE INFORMATION
POSITIVE PROFIT ALERT**

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).

The board of directors of the Company (the “**Board**”) is pleased to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Company for the twelve months ended 31 December 2021 (the “**Year under Review**”) and information currently available to the Board, the Group is expected to record a profit after tax attributable to the shareholders of the Company of approximately HK\$370 million for the Year under Review, as compared with the loss after tax attributable to the shareholders of the Company of approximately HK\$414 million for the six months ended 31 December 2020 (the “**Corresponding Period**”). This is the first financial year recording a profit since the financial year ended 30 June 2017.

The financial year end date of the Company has been changed from 30 June to 31 December commencing from the financial period ended 31 December 2020. Due to the change of the fiscal year end date, the Corresponding Period covered a period of six months from 1 July 2020 to 31 December 2020. The comparative figures hence are not directly comparable.

Due to the Protective Shield Proceedings (the “**PSP**”) (for details please refer to the Company’s Annual Report for the six months ended 31 December 2020), six German subsidiaries and their fourteen subsidiaries (together the “**G20 Companies**”) had to be deconsolidated from 1 July to 30 November 2020 (the “**Deconsolidation**”). During the period of Deconsolidation, the G20 Companies have been recognized in the Group’s consolidated statement of profit or loss as share of results from associates. The G20 Companies represent approximately 90% of the Group’s third party revenue.

The anticipated turnaround from loss to profit for the first time since the annual results for the year ended 30 June 2017 is mainly attributable to:

- (i) the improvement in sales, with higher gross profit margin, for the Year under Review as compared with the Corresponding Period;
- (ii) the positive results of the implementation of efficient cost control measures by the Group;
- (iii) improved inventory management; and
- (iv) growth in the e-commerce channel.

As at the date of this announcement, the Company is still in the process of finalising the consolidated results of the Group for the Year under Review. The information contained in this announcement is only based on a preliminary assessment of the unaudited consolidated management accounts of the Group for the Year under Review and information currently available to the Board, and is not based on any figures or information which has been audited or reviewed by the independent auditors of the Company nor approved by the Audit Committee of the Company. Therefore, the actual results of the Group may be subject to further amendments and adjustments where necessary. Shareholders and potential investors are advised to exercise caution when using such data to evaluate the Group's financial conditions and results of operations. The Company will make update announcements in this regard when necessary. Shareholders and potential investors are advised to carefully read the announcement of the Company in relation to the audited results of the Group for the Year under Review, which is expected to be published on 29 March 2022 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
Esprit Holdings Limited
CHIU Christin Su Yi
Chairman

Hong Kong, 14 March 2022

Dates 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:

Ms. CHIU Christin Su Yi
Mr. PAK William Eui Won
Mr. SCHLANGMANN Wolfgang Paul Josef
Mr. WRIGHT Bradley Stephen

Independent Non-executive Directors:

Mr. CHUNG Kwok Pan
Mr. GILES William Nicholas
Mr. HA Kee Choy Eugene
Ms. LIU Hang-so
Mr. LO Kin Ching Joseph