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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(2)(a) 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**”) wishes 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 Group for the year ended 31 December 2023 (the “**Year**”) and information currently available to the Board, the Group is expected to record a net loss attributable to the Shareholders of approximately HK\$1,901 million for the Year, as compared to the net loss attributable to the Shareholders of approximately HK\$664 million for the year ended 31 December 2022 (the “**Comparison Year**”), which represents an increase of approximately 186.3%.

The Board considers that the net loss for the Year is mainly attributable to the decrease in revenue and the inability to reduce operation expenses due to long-standing historical structural issues. The decrease in revenue also led to the Group’s gross profit decreased by approximately 12.9% from approximately HK\$2,878 million for the Comparison Year to approximately HK\$2,508 million for the Year. Furthermore, there were write-backs of provision for inventories and write-back of provisions for impairment of trade debtors totaling approximately HK\$321 million for the Comparison Year while there were impairments on those two items of approximately HK\$102 million for the Year.

It is anticipated that the Group will record a total revenue of approximately HK\$5,912 million for the Year, as compared to the total revenue of approximately HK\$7,063 million for the Comparison Year, which represents a decrease of approximately 16.3%. The decrease in revenue was primarily due to the following reasons: (i) the unfavorable macroeconomic environment in Europe, particularly in Germany, characterized by high interest rates as a reaction to high inflationary pressures; (ii) the on-going geopolitical tensions around the world, particularly the conflict in Ukraine; and (iii) high energy costs, particularly in Germany, which have been affecting consumer purchasing power. The above factors combined severely hinders consumer confidence and limit discretionary spending, particularly in Europe, where the Group primarily operates in, resulting in the decrease of the Group's total revenue.

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. 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 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. The Board wishes to emphasis that the results of the Group for the Year may be affected by a number of other factors, including but not limited to impairment that may or may not arise. The Company will make further announcement(s) in this regard if and when necessary. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the annual results of the Group for the Year, which will be published in late March 2024 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
WONG Natasha Chi Yan
Company Secretary

Hong Kong, 6 February 2024

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