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**ESPRIT HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**Stock Code: 00330**

## **INSIDE INFORMATION INSOLVENCY FILING BY A SWITZERLAND SUBSIDIARY**

This announcement is made by Esprit Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2), 13.25(1)(b) and 13.25(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) 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).

### **INSOLVENCY FILING BY A SWITZERLAND SUBSIDIARY**

The board of directors of the Company (the “**Board**”) announces that the directors (the “**ESRA Board**”) of Esprit Switzerland Retail AG (“**ESRA**”) (an indirect wholly-owned subsidiary of the Company) resolved, after due and careful consideration, (i) to apply for the commencement of the insolvency proceeding over ESRA’s assets (the “**Insolvency Filing**”) at the competent court of Switzerland; (ii) to approve the Insolvency Filing; and (iii) subsequently, the Insolvency Filing was made on 25 March 2024.

### **INFORMATION ABOUT ESRA**

ESRA, a company incorporated in Switzerland, is an indirect wholly-owned subsidiary of the Company and is primarily engaged in retail distribution of apparel and accessories in Switzerland.

As the total assets of ESRA as of 31 December 2022 represents more than 5% of the assets ratio defined under Rule 14.07(1) of the Listing Rules, Rule 13.25(1)(b) of the Listing Rules applies to ESRA according to Rule 13.25(2) of the Listing Rules.

## **REASONS FOR THE INSOLVENCY FILING**

The Company is now focusing on a comprehensive reorganization and on strengthening its business with wholesale and franchise partners, as well as generating new momentum in E-commerce. The insolvency of ESRA and the closure of the stores belonging to ESRA was unavoidable.

The overall economic slowdown in combination with the sharp rise in energy and logistics costs, negative consumer sentiment in Europe and the long-term legacy high rents for the unsuitably sized stores ultimately made it unviable financially to continue the retail business as it is currently structured in Switzerland. In light of the aforementioned reasons, which leads to the tight liquidity situation of ESRA under the Europe retail business. The ESRA Board reported to the Board that ESRA has become cash flow insolvent and it is in the best interests of the Group to proceed with the Insolvency Filing for ESRA.

## **POSSIBLE EFFECT OF THE INSOLVENCY FILING ON THE GROUP**

Based on the unaudited management account of the ESRA as at 31 December 2023, the consolidated total assets and consolidated total liabilities amounted to HK\$494.4 million (equivalent to CHF58.6 million) and HK\$593.4 million (equivalent to CHF70.3 million), respectively.

The Insolvency Filing shall have no direct material adverse impact on the Group and the business and operations of the Group remain normal. The Group will continue to evaluate all restructuring options and contingency plans in order to preserve value of the Group's business.

Further announcement(s) will be made by the Company as and when appropriate if there is any material progress in connection with the Insolvency Filing as and when appropriate in accordance with 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  
*Chairperson*

Hong Kong, 25 March 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. STRIPPOLI Anthony Nicola  
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