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ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 00330

**VOLUNTARY ANNOUNCEMENT
BANKRUPTCY FILINGS FILED BY
US SUBSIDIARIES**

This announcement is made by Esprit Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to inform its shareholders and potential investors of the recent developments of the Group.

BANKRUPTCY FILINGS BY US SUBSIDIARIES

The board of directors of the Company (the “**Board**”) announces that the respective board of directors of Esprit US Distributions Limited (“**USDS**”), an indirect wholly-owned subsidiary of the Company, and Esprit US Retail Inc. (“**USRI**”, together with USDS, the “**US Subsidiaries**”), a direct wholly-owned subsidiary of USDS, each resolved to (i) file a voluntary petition in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) for relief under the provisions of Chapter 7 of the United States Bankruptcy Code (the “**Bankruptcy Filings**”); and (ii) approve the Bankruptcy Filings. Subsequently, the Bankruptcy Filings were made on 25 October 2024 (Eastern Time of the United States).

INFORMATION ABOUT USDS

USDS, a Delaware corporation, is primarily engaged in wholesale distribution of apparel and accessories and provision of services in the United States of America.

INFORMATION ABOUT USRI

USRI, a Delaware corporation, is primarily engaged in retail and e-commerce distribution of apparel and accessories in the United State of America.

REASONS FOR THE BANKRUPTCY FILINGS

Based on the unaudited management accounts of the USDS and USRI as at 30 June 2024, the consolidated total assets and consolidated total liabilities were approximately HK\$317 million and HK\$477 million (including intra-group liabilities amounting to approximately HK\$315 million), respectively.

Having considered the poor business and financial conditions, as well as the unsatisfactory operational results of the US Subsidiaries, the board of directors of each US Subsidiary has concluded that it is unlikely for the relevant US Subsidiary to be able to generate sufficient revenue to cover its high operating costs and fulfill its debt obligations. Therefore, the board of directors of each US Subsidiary believes that it is desirable and in the best interest of the respective US Subsidiary to proceed with the Bankruptcy Filing.

POSSIBLE EFFECT OF THE BANKRUPTCY FILINGS ON THE GROUP

Following the Bankruptcy Filings, the Company will no longer be considered to have control over the US Subsidiaries. Accordingly, the financial results of the US Subsidiaries will be deconsolidated from those of the Group.

The initiation of the bankruptcy proceedings is expected to result in a substantial reduction in the Group's operational costs and eliminate the ongoing financial support from the Group. Moving forward, the Company plans to collaborate with skilled and seasoned partners to enhance and expand its asset-light licensing business.

Further announcement(s) will be made by the Company if there is any material progress in connection with the Bankruptcy Filings as and when appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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
Ngai Wai Kin
Company Secretary

Hong Kong, 28 October 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