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ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 00330

**VOLUNTARY ANNOUNCEMENT
PREVENTIVE RESTRUCTURING FILING BY A
DENMARK SUBSIDIARY**

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.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 15 May 2024 in relation to the self-administration proceedings filings made by, among others, Esprit Europe GmbH (“**DEEG**”).

PREVENTIVE RESTRUCTURING FILING BY A DENMARK SUBSIDIARY

The board of directors of the Company (the “**Board**”) announces that the board of directors of Esprit de Corp. Danmark A/S (“**DKDA**”) (an indirect wholly-owned subsidiary of DEEG) has resolved, after due and careful consideration, (i) to apply for the commencement of preventive restructuring proceedings (in Danish: *forebyggende rekonstruktion*) over the assets of DKDA (the “**Preventive Restructuring Filing**”) as a proactive and forward-looking measure to preserve the solvency and liquidity of its business operations at the competent court of Copenhagen, and (ii) subsequently, the Preventive Restructuring Filing was made on 31 May 2024.

Preventive restructuring proceedings are available to businesses that are not insolvent and that, at their core, are viable businesses. The preventive restructuring proceedings will ring fence DKDA from individual creditor actions while its management works out a draft restructuring plan that is to be presented to, and discussed with, DKDA’s creditors and the court. The restructuring plan is expected to significantly reduce DKDA’s liabilities to a sustainable and manageable level commensurate with its business needs.

By pursuing the preventive restructuring proceedings, DKDA specifically aims to effectively restructure all its liabilities and long-term lease contracts and generally negotiate more flexible solutions with its creditors.

INFORMATION ABOUT DKDA

DKDA, a company incorporated in Denmark, is an indirect wholly-owned subsidiary of DEEG. DKDA was primarily engaged in the wholesale and retail distribution of apparel and accessories in Denmark. DKDA has two subsidiaries, namely Esprit Sweden AB and Esprit A/S. Esprit Sweden AB was primarily engaged in the wholesale and retail distribution of apparel and accessories in Sweden, and Esprit A/S was primarily engaged in the wholesale and retail distribution of apparel and accessories in Norway. The initiation of preventive restructuring proceedings by DKDA may result in its subsidiaries being subject to their own preventive restructuring proceedings or insolvency proceedings in the future.

DKDA also has a branch in Finland, namely Filial I Finland (“**FIDA**”), which was primarily engaged in the wholesale and retail distribution of apparel and accessories in Finland. The initiation of the preventive restructuring proceedings by DKDA automatically extends to FIDA unless local creditors decide to move such Finland branch into a territorial insolvency process.

Based on the audited consolidated financial statements of the Group and the consolidated management accounts of DKDA for the financial year ended 31 December 2023, the aggregate total revenue recorded by DKDA and its subsidiaries (after intra-group elimination) was approximately HK\$163 million, representing approximately 2.8% of the total revenue of the Group, and as at 31 December 2023 the aggregate total assets of DKDA and its subsidiaries were approximately HK\$83 million, representing 1.4% of the total assets of the Group.

REASONS FOR THE PREVENTIVE RESTRUCTURING FILING

It was disclosed in the Announcement that on 15 May 2024, DEEG, together with the other six German subsidiaries of the Group, applied for the commencement of insolvency proceedings under self-administration over their respective assets at the competent insolvency court of Düsseldorf, Germany. On 17 May 2024, the insolvency court of Düsseldorf made the order confirming the self-administration proceedings of DEEG and the other six German subsidiaries.

DKDA is an indirect wholly-owned subsidiary of DEEG. Having considered the current situation of DEEG and the challenges faced by DKDA in carrying out its business operations going forward and, further, taking into consideration the potential benefits of the preventive restructuring proceedings as discussed above, the board of directors of DKDA believes that the initiation of the preventive restructuring proceedings is appropriate and in the best interest of DKDA.

DKDA's management will continue to remain in office during the preventive restructuring proceedings and will continue to be responsible for the day-to-day operations of the business. However, significant transactions of DKDA will be subject to approval by a restructuring administrator (if appointed). The aim of the preventive restructuring proceedings is to restructure the business of DKDA, so that all or part of its business may be able to continue operations after the successful completion of the process.

POSSIBLE EFFECT OF THE PREVENTIVE RESTRUCTURING FILING ON THE GROUP

DKDA is an indirect wholly-owned subsidiary of DEEG. Upon the commencement of the self-administration proceedings of DEEG on 17 May 2024, the Company was no longer considered to have control over DEEG and/or its subsidiaries (including DKDA). Since then, the financial results of DEEG (including those of DKDA) have been deconsolidated from those of the Group. The Preventive Restructuring Filing and subsequent preventive restructuring proceedings of DKDA would not alter such position.

Further announcement(s) will be made by the Company if there is any material progress in connection with the preventive restructuring proceedings of DKDA 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, 31 May 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