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ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 00330

INSIDE INFORMATION ANNOUNCEMENT ON ARBITRATION

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**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Company recently received an arbitration award (the “**Award**”) from the ICC International Court of Arbitration.

Background

The Company engaged a law firm (the “**Firm**”) on 4 April 2024 to perform legal services. The aggregate amount of the invoices issued by the Firm (the “**Invoices**”) covering the services rendered for a period between April and October 2024 was approximately US\$2.9 million.

In view of the substantial amount of legal fees charged, the clarity of the narratives in relation to the Invoices, and the overall services rendered, the Company sought legal advice regarding the reasonableness of the Invoices. After scrutiny of the Invoices by its legal advisor, the Company formally disputed the Invoices through its legal advisor on 20 June 2025. At the same time, the Company notified the Firm through its legal advisor that it was in the process of instituting arbitration proceedings against the Firm. However, the Firm commenced arbitration against the Company on 24 July 2025, claiming for, among other things, the outstanding balance of the Invoices, together with interest at a rate of 9%, compounded annually (the “**Arbitration**”).

A provision of approximately HK\$8.2 million was made in the Company's 2024 consolidated financial statements based on the preliminary observations of its legal advisor and internal assessment. This provision continues to be maintained in the 2025 consolidated financial statements as the legal advice from its legal advisor concurs with the Company's assessment. Such provision was also disclosed in the 2025 annual report of the Company published on 29 April 2026.

Arbitration Award

Pursuant to the Award, the Tribunal ordered that:-

- (A) it had jurisdiction to determine the Firm's claim for payment of the Invoices;
- (B) the Company shall pay to the Firm the amounts of US\$3,927,922.81 and HK\$40,900, comprising:
 - (i) US\$2,873,756.06 in payment of the outstanding balance on the Invoices;
 - (ii) US\$126,243.94 in respect of all voided discounts (the "**Voided Discounts**") previously applied to the Invoices;
 - (iii) US\$500,000 plus HK\$40,900 on account of legal fees and costs of the Arbitration incurred by the Firm;
 - (iv) a total amount of US\$427,922.81, being simple interest at 9% per annum on the outstanding balance on the Invoices and the Voided Discounts as at the date of the Award; and
- (C) simple interest at the rate of 9% per annum is payable by the Company to the Firm on the amounts of US\$3,500,000 and HK\$40,900 from the date of the Award until the date of payment of those amounts.

In addition to the actions already taken by the Company as detailed below, the Company is currently seeking legal advice on the appropriate course of action in response to the Award to continue to protect its interests and the interests of the Shareholders.

Other Actions taken by the Company

The Company had applied to the High Court of The Republic of Singapore (the “**High Court**”) for an order that the Firm’s bills be referred to taxation (the “**Application**”). The Application was dismissed on the grounds that it was made outside of the 12-month limitation period. On 12 June 2026, the Company filed an application with the Appellate Division of the High Court for permission to appeal against the decision dismissing the Company’s Application (the “**Appeal Application**”). As of the date of this announcement, the Company has not received any decision on the Appeal Application.

The Company will update the Shareholders and potential investors of the Company by way of announcement as and when appropriate on any further development in this regard.

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
WRIGHT Bradley Stephen
Acting Chairman

Hong Kong, 10 July 2026

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:

Mr. WRIGHT Bradley Stephen
Ms. LI Hui
Ms. LIU Jianyi

Independent Non-executive Directors:

Ms. LIU Hang-so
Ms. LIU Tsui Fong
Mr. LO Kin Ching Joseph
Mr. YU Chung Leung