ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

STOCK CODE: 00330

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

INTERIM RESULTS

The board of directors (the "**Board**") of Esprit Holdings Limited (the "**Company**") announces the unaudited condensed consolidated interim financial information, along with selected explanatory notes, of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2026 (the "**Period**") as follows:

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Condensed Consolidated Statement of Profit or Loss

	Notes	**Unaudited for the six months ended 30 June 2026** *HK$ '000*	Unaudited for the six months ended 30 June 2025 *HK$ '000*
<u>Continuing operations</u>			
Revenue	*2*	**14,915**	6,595
Cost of sales		**–**	–
Gross profit		**14,915**	6,595
Staff costs		**(11,002)**	(18,064)
Occupancy costs		**(2,246)**	(2,976)
Depreciation of property, plant and equipment		**(66)**	(47)
Depreciation of right-of-use assets		**(339)**	(2,707)
Impairment loss on trademarks		**(48,623)**	–
Net foreign exchange translation losses		**–**	(1,395)
Other operating costs		**(37,893)**	(479)
Operating loss from continuing operations	*3*	**(85,254)**	(19,073)
Interest income	*4*	**462**	101
Finance costs	*5*	**(2,943)**	(1,829)
Loss before taxation from continuing operations		**(87,735)**	(20,801)
Taxation	*6*	**–**	(3)
Loss from continuing operations		**(87,735)**	(20,804)
<u>Discontinued operations</u>			
Profit from discontinued operations		**–**	22,105
(Loss)/profit attributable to shareholders of the Company		**(87,735)**	1,301
			(Restated)
(Loss)/profit per share for (loss)/profit attributable to shareholders of the Company			
– basic and diluted	*8*	**HK (30.99) cents**	HK0.46 cents
Loss per share from continuing operations			
– basic and diluted	*8*	**HK (30.99) cents**	HK (7.35) cents
Profit per share from discontinued operations			
– basic and diluted	*8*	**–**	HK7.81 cents

Condensed Consolidated Statement of Comprehensive Income

	Notes	**Unaudited for the six months ended 30 June 2026** *HK$ '000*	Unaudited for the six months ended 30 June 2025 *HK$ '000*
Loss from continuing operations		**(87,735)**	(20,804)
Profit from discontinued operations	*1.4*	**–**	22,105
(Loss)/profit attributable to shareholders of the Company		**(87,735)**	1,301
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation (loss)/gains from continuing operations		**(72)**	66
Recycling of translation reserve from discontinued operations		**–**	355
		(72)	421
Total comprehensive (loss)/income for the period attributable to shareholders of the Company, net of tax		**(87,807)**	1,722
– from continuing operations		**(87,807)**	(20,738)
– from discontinued operations		**–**	22,460

Condensed Consolidated Balance Sheet

	Notes	Unaudited As at 30 June 2026 HK$ '000	Audited As at 31 December 2025 HK$ '000
Non-current assets			
Intangible assets		**215,828**	264,451
Property, plant and equipment		**191**	257
Right-of-use assets		**981**	1,315
Financial assets at fair value through profit or loss		**90**	110
Financial assets at fair value through other comprehensive income		**217**	217
Loans to a joint venture		**–**	–
Deposits		**1,379**	1,547
		218,686	267,897
Current assets			
Debtors, deposits and prepayments	*9*	**14,038**	24,267
Tax receivable		**7,437**	7,594
Cash, bank balances and deposits		**55,293**	54,564
		76,768	86,425
TOTAL ASSETS		**295,454**	354,322
Current liabilities			
Creditors and accrued charges	*10*	**61,258**	30,946
Lease liabilities		**241**	428
Provisions		**1,096**	1,592
Tax payable		**672**	678
		63,267	33,644
Net current assets		**13,501**	52,781
Total assets less current liabilities		**232,187**	320,678
Equity			
Share capital	*11*	**28,308**	28,308
Reserves		**32,305**	120,112
		60,613	148,420
Non-current liabilities			
Lease liabilities		**795**	919
Long-term borrowings		**125,127**	125,687
Deferred tax liabilities		**45,652**	45,652
		171,574	172,258
TOTAL LIABILITIES		**234,841**	205,902
TOTAL EQUITY AND LIABILITIES		**295,454**	354,322

Notes to the Condensed Consolidated Interim Financial Information

1. BASIS OF PREPARATION

This unaudited condensed consolidated interim financial information (the "**Interim Financial Information**") on pages 2 to 18 for the Period was prepared in accordance with the International Accounting Standard (the "**IAS**") 34 "Interim Financial Reporting" issued by the International Accounting Standards Board and Appendix D2 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

The Interim Financial Information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2025.

1.1 Use of judgement and estimates

While preparing the Interim Financial Information, the management of the Company has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

1.2 Going Concern

During the Period, the Group recorded a net loss attributable to shareholders of the Company (the "**Shareholders**") of HK$87,735,000 and a net cash inflow of HK$712,000. As at 30 June 2026, the Group's net current assets were HK$13,501,000 against long-term borrowings of HK$125,127,000. Cash, bank balances and deposits amounted to HK$55,293,000 as at the same date.

Building on the comprehensive restructuring initiated in 2024 to address unsustainable legacy-related costs and persistent retail losses, 2025 served as a critical inflection point in the Company's transition to a licensing-centric strategy. During the Period, the Group has firmly strengthened its asset-light, licensing-centric business model. The Group's revenue from continuing operations for the Period increased gradually to HK$14,915,000, compared to approximately HK$6,595,000 in the Corresponding Period.

To continue to improve the liquidity and ensure sufficient financing for future business development, the Group is in the process of implementing the following plans and measures:

1. The Board continues to evaluate opportunities to strengthen the financial position of the Group and broaden its capital base through equity fundraising initiatives, including but not limited to share placements, rights issues, and other methods, when suitable and advantageous opportunities arise.

2. As at 30 June 2026, the Group had secured total loan facilities of HK$335,000,000 (31 December 2025: HK$335,000,000) to finance its general working capital needs. As of 30 June 2026, the Group has drawn down a total of HK$125,127,000, which remains at a level similar to the HK$125,687,000 recorded as 31 December 2025. This left an unutilised loan facility balance of approximately HK$209,873,000 (31 December 2025: HK$209,313,000). The current maturity date of HK$200 million loan facility and HK$135 million loan facility are in February 2028 and March 2028 respectively, unless further extended. Additionally, the Group continues to pursue further financing from financial institutions with more favourable terms as opportunities arise and when necessary.

1. BASIS OF PREPARATION (CONTINUED)

1.2 Going Concern (Continued)

3. The Group remains committed to generating cash inflows from its predominantly licensing business by securing and executing advantageous licensing agreements with financially robust and operationally capable partners. The Group continues to engage with potential strategic partners to explore licensing opportunities for its brands across various geographic locations and product categories. Furthermore, the Board will continue to evaluate potential distribution channels to expand market penetration and diversify revenue streams. At the same time, the Company continues to implement strategic measures to tighten controls over recurring operating expenses in order to further strengthen profitability.

The Board has reviewed the Group's cash flow forecast prepared by the management covering a period of twelve months from 30 June 2026. After considering the plans and measures outlined above, the Board is of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due within twelve months from 30 June 2026. The Board is therefore of the opinion that it is appropriate to prepare the consolidated financial statements on a going concern basis.

1.3 Measurement of fair values

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Only market observable parameter.
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

1.4 Deconsolidation of a subsidiary during 2025

During 2025, the Group ceased its operations in Canada other than the licensing business following the initiation of the insolvency proceedings by Esprit Canada Retail Limited ("**Esprit Canada**"), an indirect wholly-owned subsidiary of the Company, on 5 June 2025. Given the Company was no longer considered to have control over Esprit Canada, the financial results of Esprit Canada have been deconsolidated from the Group. The effects from the deconsolidation on the consolidated financial statements are as follows:

	At the date of deconsolidation *HK$ '000*
Net liabilities disposed of:	
Cash, bank balances and deposits	(3)
Debtors, deposits and prepayments	(12,286)
Lease liabilities	15,430
Creditors and accrued charges	19,319
Carrying amount of net liabilities disposed of	22,460
Recycling of translation reserve	(355)
Gain on deconsolidation	22,105
Cash outflow from deconsolidation of a subsidiary:	
Cash, bank balances and deposits deconsolidated	(3)

1. BASIS OF PREPARATION (CONTINUED)

1.4 Deconsolidation of a subsidiary during 2025 (Continued)

As such, the Company's operations in Canada in 2025 have been classified and disclosed as discontinued operations. The financial performance of the discontinued operations is presented in the following table:

	Unaudited for the six months ended 30 June 2025 *HK$ '000*
Revenue	–
Expenses	–
Gain on deconsolidation	22,105
Profit before taxation	22,105
Taxation	–
Profit from discontinued operations, net of tax	22,105
	(Restated)
Basic and diluted profit per share, from discontinued operations	HK7.81cents

1.5 Changes in accounting policy and disclosures

The International Accounting Standards Board has issued a number of new International Financial Reporting Standard ("**IFRSs**") and amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

(i) Amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2026:

Adopted	**Effective date**	**New standards or amendments**
IFRS 9 and IFRS 7 (Amendments)	1 January 2026	Amendments to the Classification and Measurement of Financial Instruments
IFRS 9 and IFRS 7 (Amendments)	1 January 2026	Contracts Referencing Nature-dependent Electricity
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026	Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS10 and IAS 7

The application of the amendments to IFRSs and interpretations in the current period had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

1. BASIS OF PREPARATION (CONTINUED)

1.5 Changes in accounting policy and disclosures

(ii) New standards and amendments to standards not yet adopted by the Group

The following new standards, amendments and interpretations to existing standards and interpretations have been published that are mandatory for the Group's accounting periods on or after 1 January 2027 and have not been early adopted by the Group:

Not early adopted	Effective for accounting periods beginning on or after	New standards or amendments
IFRS 18 and consequential amendments to other IFRS and IAS 1	1 January 2027	Presentation and Disclosure in Financial Statements
IFRS 19 and subsequent amendments	1 January 2027	Subsidiaries without Public Accountability: Disclosures
IAS 21 (Amendments)	1 January 2027	Translation to a Hyperinflationary Presentation Currency
IAS 28 (Amendments)	1 January 2027	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures
IFRS 20	1 January 2029	Regulatory Assets and Regulatory Liabilities
IFRS 10 and IAS 28 (Amendments)	To be determined	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group will apply the above new standards and amendments to existing standards when they become effective. The directors of the Group anticipate that the adoption of IFRS 18 and IFRS 19 will not affect the recognition or measurement of items in the condensed consolidated financial statements. It mainly has impacts on presentation and disclosure of income and expenses and adds new disclosure requirements on management-defined performance measures within the condensed consolidated financial statements. Except for that, the application of the above new standards and amendments to existing standards are not expected to have a material impact on the Group in the future reporting periods and on foreseeable future transactions.

2. REVENUE AND SEGMENT INFORMATION

Basis for Segmentation

The Group was principally engaged in the retail and wholesale distribution and licensing of quality fashion and non-apparel products designed under its own internationally-known brand names. Despite the cessation of its retail, wholesale, and E-shop operations due to the insolvency proceedings since 2024, the Company remains committed to preserving the global presence of its brands and continues its efforts to maintain and enhance its brand equity.

By shifting away from its legacy business model and capital-intensive infrastructure, historically burdened by significant expenditures in sourcing, distribution and retail operations, the Company is now moving towards an asset-light, licensing-centric business model. Furthermore, the Company continues to evaluate potential distribution channels to expand market penetration and diversify revenue streams as well as consider brand portfolio expansion opportunities that align with its long-term vision when strategically suitable. Under this asset-light business model, the acquisition and disposal of trademarks shall constitute one of the Group's principal activities. Revenue derived from trademark-buying-and-selling transactions will be generated in the usual and ordinary course of the Group's business.

2. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Chief operating decision-maker (the "**CODM**") has been identified as the executive directors of the Company. Following the strategic corporate restructuring as mentioned above, for the Period, the CODM reviews the Group's internal reporting as a single operating segment, which is the licensing business. Information reported to the CODM, for the purposes of resources allocation and assessment of performance, focused specifically on the revenue and the profit or loss of the Group as a whole. Hence, the directors of the Company consider that the Group has only one single reportable segment and no analysis of segment asset and segment liability is presented.

Information about licensing business

For the periods ended 30 June 2026 and 2025, all of the Group's revenue from external customers, which are our licensee partners, was derived from the royalty income arising from granting third parties the right to manufacture and sell the ESPRIT products.

Information about major customers

Revenues from external customers, which are our licensee partners, that accounted for 10% or more of the Group's total revenue for the period are as follows:

	Unaudited for the six months ended 30 June 2026 *HK$ '000*	Unaudited for the six months ended 30 June 2025 *HK$ '000*
Continuing operations		
Customer A	**6,521**	1,622
Customer B	**5,812**	3,814
Customer C	**2,149**	703

Revenue from these three customers is derived from the Group's sole reportable segment.

Geographical information

The Group's licensing revenue from external customers and information about its non-current assets by geographical location are detailed below.

External customers

Revenue from external customers, which are our licensee partners, from continuing operations based on the location of the external customers are located in the following countries or regions.

	Unaudited for the six months ended 30 June 2026 *HK$ '000*	Unaudited for the six months ended 30 June 2025 *HK$ '000*
Continuing operations		
Hong Kong	**2,149**	703
China	**6,521**	1,622
South America	**5,812**	3,814
Other countries	**433**	456
Total	**14,915**	6,595

2. REVENUE AND SEGMENT INFORMATION (CONTINUED)

Geographical information (Continued)

Non-current assets

Non-current assets other than deposits, interest in a joint venture and financial instruments are located in the following countries or regions:

	Unaudited As at 30 June 2026	Audited As at 31 December 2025
	HK$ '000	*HK$ '000*
Hong Kong	**1,167**	1,370
Other countries *(note)*	**215,833**	264,653
Total	**217,000**	266,023

Note:

Non-current assets located in other countries include intangible assets of HK$215,828,000 (31 December 2025: HK$264,451,000). Other countries mainly include China and the United States.

3. OPERATING LOSS

The following items have been charged/(credited) to arriving at operating loss and represent only material items:

	Unaudited for the six months ended 30 June 2026	Unaudited for the six months ended 30 June 2025
	HK$ '000	*HK$ '000*
Continuing operations		
Staff costs	**11,002**	18,064
Occupancy costs	**2,246**	2,976
Depreciation of property, plant and equipment	**66**	47
Depreciation of right-of-use assets	**339**	2,707
Impairment loss on trademarks	**48,623**	–
Net foreign exchange translation losses	**–**	1,395
Information technology expenses	**502**	2,331
Legal and professional fees charge/(reversal)	**30,769**	(6,260)
Insurance	**196**	1,264
Travelling-related expenses	**200**	263
Withholdings tax	**1,464**	763
Loss on the change of fair value of financial assets	**19**	241

4. INTEREST INCOME

	Unaudited for the six months ended 30 June 2026 *HK$ '000*	Unaudited for the six months ended 30 June 2025 *HK$ '000*
Continuing operations		
Interest from bank deposits	**1**	14
Interest from loan to a joint venture	**74**	74
Others	**387**	13
Total interest income	**462**	101

5. FINANCE COSTS

	Unaudited for the six months ended 30 June 2026 *HK$ '000*	Unaudited for the six months ended 30 June 2025 *HK$ '000*
Continuing operations		
Interest on lease liabilities	**53**	48
Interest on borrowings	**2,890**	1,781
Total finance costs	**2,943**	1,829

6. TAXATION

	Unaudited for the six months ended 30 June 2026 *HK$ '000*	Unaudited for the six months ended 30 June 2025 *HK$ '000*
Continuing operations		
Current tax		
Overseas taxation		
Provision for current period	**–**	–
Under-provision for prior periods	**–**	3
	–	3
Deferred tax		
Other origination and temporary differences	**–**	–
Total taxation expense	**–**	3

6. **TAXATION (CONTINUED)**

Hong Kong profits tax is calculated at 16.5% (for the six months ended 30 June 2025: 16.5%) on the estimated assessable profit for the Period, net of tax losses carried forward, if applicable.

Overseas (outside of Hong Kong) taxation has been calculated on the estimated assessable profit for the six months ended 30 June 2026 at the rates of taxation prevailing in the countries in which the Group companies operate, net of tax losses carried forward, if applicable.

7. **INTERIM DIVIDEND**

The Board has resolved not to declare an interim dividend for the Period (for the six months ended 30 June 2025: Nil).

8. **(LOSS)/PROFIT PER SHARE**

Basic

Basic (loss)/profit per share is calculated by dividing the (loss)/profit attributable to Shareholders by the weighted average number of ordinary shares in issue during the Period.

	Unaudited for the six months ended 30 June 2026 ***HK$ '000***	Unaudited for the six months ended 30 June 2025 *HK$ '000* (restated)
(Loss)/profit attributable to shareholders of the Company	**(87,735)**	1,301
Number of ordinary shares in issue at 1 January ('000)	**283,082**	283,082
Weighted average number of ordinary shares in issue ('000)	**283,082**	283,082
Basic (loss)/profit per share (HK cents per share)	**(30.99)**	0.46
– from continuing operations (HK cents per share)	**(30.99)**	(7.35)
– from discontinued operations (HK cents per share)	**–**	7.81

The number of ordinary shares in issue and weighted average number of ordinary shares for the period ended 30 June 2025 has been retrospectively adjusted for the ten-to-one share consolidation of the Company as stated in note 11(a) which became effective on 25 August 2025.

Diluted

Diluted (loss)/profit per share is calculated by dividing the (loss)/profit attributable to Shareholders by the weighted average number of ordinary shares in issue during the Period adjusted by the dilutive effect of share options and awarded shares.

8. (LOSS)/PROFIT PER SHARE (CONTINUED)

Diluted (Continued)

	Unaudited for the six months ended 30 June 2026 HK$ '000	Unaudited for the six months ended 30 June 2025 HK$ '000 (restated)
(Loss)/profit attributable to shareholders of the Company	**(87,735)**	1,301
Weighted average number of ordinary shares in issue ('000)	**283,082**	283,082
Weighted average number of ordinary shares for diluted earnings per share ('000)	**283,082**	283,082
Diluted (loss)/profit per share (HK cents per share)	**(30.99)**	0.46
– from continuing operations (HK cents per share)	**(30.99)**	(7.35)
– from discontinued operations (HK cents per share)	**–**	7.81

The number of ordinary shares in issue and weighted average number of ordinary shares for the period ended 30 June 2025 has been retrospectively adjusted for the ten-to-one share consolidation of the Company as stated in note 11(a) which became effective on 25 August 2025.

Diluted (loss)/profit per share for the Period was the same as the basic (loss)/profit per share since the share options and awarded shares had anti-dilutive effect.

9 CURRENT DEBTORS, DEPOSITS AND PREPAYMENTS

Current debtors, deposits and prepayments consist of the following financial and non-financial positions:

	Unaudited As at 30 June 2026 HK$ '000	Audited As at 31 December 2025 HK$ '000
Accounts receivable	**22,352**	18,830
less: provision for impairment of accounts receivable	**(14,322)**	(13,957)
Net accounts receivable	**8,030**	4,873
Deposits	**311**	261
Prepayments	**979**	2,933
Other receivables	**4,718**	16,200
Total	**14,038**	24,267

9 CURRENT DEBTORS, DEPOSITS AND PREPAYMENTS (CONTINUED)

The aging analysis by invoice date of accounts receivable net of provision for impairment is as follows:

	Unaudited As at 30 June 2026 *HK$ '000*	Audited As at 31 December 2025 *HK$ '000*
0-30 days	**7,405**	4,873
31-60 days	**625**	–
61-90 days	**–**	–
Over 90 days	**–**	–
Total	**8,030**	4,873

The Group grants credit period, which is usually 30 to 60 days.

Movements in provision for impairment of accounts receivable are as follows:

	Unaudited for the six months ended 30 June 2026 *HK$ '000*	Unaudited for the six months ended 30 June 2025 *HK$ '000*
Balance at beginning of period	**13,957**	13,758
Provision for impairment of accounts receivable, net	**–**	–
Exchange translation	**365**	324
Balance at end of period	**14,322**	14,082

10. CREDITORS AND ACCRUED CHARGES

	Unaudited As at 30 June 2026 *HK$ '000*	Audited As at 31 December 2025 *HK$ '000*
Accruals *(note)*	**40,778**	17,738
Contract liabilities	**9,341**	3,909
Other payables	**11,139**	9,299
Total	**61,258**	30,946

Note:

It includes a provision of HK$30,747,000 in relation to a dispute with a third party concerning certain invoices.

The carrying amounts of creditors and accrued charges approximate their fair values.

11. SHARE CAPITAL

	Number of shares of HK$0.10 each *'000*	Unaudited *HK$ '000*
Authorised:		
At 1 January 2026 and 30 June 2026 *(note (a))*	**30,000,000**	**3,000,000**
At 1 January 2025 and 30 June 2025	30,000,000	3,000,000

	Number of shares of HK$0.10 each *'000*	Unaudited Nominal value *HK$ '000*
Issued and fully paid:		
At 1 January 2026 and 30 June 2026 *(note (a))*	**283,082**	**28,308**
At 1 January 2025 and 30 June 2025	2,830,817	283,082

(a) Capital reorganisation and change in board lot size

On 21 July 2025, the Board of Directors of the Company (the "**Board**") proposed to:

– Implement a capital reorganisation involving the share consolidation, capital reduction and share sub-division (the "**Capital Reorganisation**");

(i) Share consolidation

Every ten issued and unissued shares of par value of HK$0.1 each were consolidated into one consolidated share of par value of HK$1. Immediately after the share consolidation became effective, the capital reduction and share sub-division were implemented.

(ii) Capital reduction

The par value of each issued consolidated share was reduced from HK$1 to HK$0.1 by cancelling the paid-up capital of the Company to the extent of HK$0.9 on each issued consolidated share.

(iii) Share sub-division

Each authorised but unissued consolidated share (including the authorised unissued consolidated share arising from the capital reduction) of par value of HK$1 was sub-divided into ten new shares of par value of HK$0.1 each.

– Change the board lot size for trading on the Stock Exchange from 2,500 existing shares to 10,000 new shares (the "**Change in Board Lot Size**")

The Capital Reorganisation and the transactions contemplated thereunder, along with the Change in Board Lot Size, were subsequently approved by the shareholders of the Company at the special general meeting held on 21 August 2025 and became effective on 25 August 2025. For further details, please refer to the Company's announcement dated 21 July 2025, the circular dated 5 August 2025, and the poll results announcement dated 21 August 2025.

The Company did not conduct any equity fund raising activities during the Period. As a direct result of the Capital Reorganisation, the total number of issued shares of the Company decreased to 283,081,734 shares, each with a par value of HK$0.1 as at 30 June 2026 (31 December 2025: 283,081,734 shares, each with a par value of HK$0.1). The Group's working capital requirements and capital expenditure were primarily funded from cash on hand, funds generated from operations, and long-term borrowings.

11. SHARE CAPITAL (CONTINUED)

(b) Share options

The Company adopted a share option scheme on 10 December 2009 (the "**2009 Share Option Scheme**"). The 2009 Share Option Scheme was terminated on 5 December 2018 notwithstanding that the share options which have been granted and remained outstanding shall continue to be valid and exercisable subject to and in accordance with the terms on which the share options were granted, the provisions of the 2009 Share Option Scheme and the Listing Rules of the Stock Exchange.

The Company adopted a new share option scheme on 5 December 2018 (the "**2018 Share Option Scheme**"). The option mandate limit of the 2018 Share Option Scheme has been refreshed upon the shareholders' approval at the special general meeting of the Company held on 6 July 2021, the details of which were disclosed in the circular of the Company dated 15 June 2021. During the Period, no share options were granted. As at 30 June 2026, the number of share options available for grant under the 2018 Share Option Scheme mandate is 28,308,173, upon the Capital Reorganisation taking effect on 25 August 2025 (31 December 2025: 28,308,173).

(c) Awarded shares

The Company adopted a share award scheme on 6 July 2021 (the "**Share Award Scheme**"). The purpose of the Share Award Scheme is to recognise the contributions by certain eligible participants (including any employee, consultant, executive of officers, directors and senior management of any member of the Group), and to provide them incentives; and to attract suitable personnel with relevant experience in the Group's business. The details of the Share Award Scheme were disclosed in the circular of the Company dated 15 June 2021.

On 30 June 2025, the Board resolved to terminate the Share Award Scheme in accordance with the terms of the Share Award Scheme. No share awards were available for grant under the Share Award Scheme during the Period and the number of shares in the Company that may be issued in respect of awards granted under the Share Award Scheme during the Period divided by the weighted average number of shares in the Company for the Period is nil. During the Period, no share award was granted, vested, cancelled or lapsed under the Share Award Scheme to any Directors or other grantees and there were no unvested awarded shares granted under the Share Award Scheme at the beginning and at the end of the Period. Such early termination of the Share Award Scheme shall not affect any subsisting rights of selected grantees as no awards remain unvested or which have vested but not yet been issued to a selected grantee immediately prior to termination. Upon early termination of the Share Award Scheme on 30 June 2025, apart from the 2009 Share Option Scheme and 2018 Share Option Scheme, the Company or any of its principal subsidiaries have no other scheme involving issue of new shares as at 30 June 2026 and at the date of this announcement.

12. CONTINGENT LIABILITIES

As at 30 June 2026, save for those disclosed below or elsewhere in this announcement, the Company had no other significant contingent liabilities (31 December 2025: nil).

(a) Lease

As at 30 June 2026 and 31 December 2025, the Group was subject to a potential claim stemming from the early termination of a lease agreement, where the relevant subsidiary is subject to ongoing insolvency proceedings. Negotiations are currently underway, but no definitive settlement agreement has been executed as of the date of this announcement. It is anticipated that the Group's maximum potential exposure in a settlement scenario will not exceed HK$14 million. The lease deposit provided by the Group to the landlord has already been applied thereby reducing any potential settlement amount.

As at the date of this announcement, the matter remains under review and is subject to ongoing legal negotiation. No provision has been recognised in the financial statements as the landlord has a duty to take reasonable actions to re-rent the premises to mitigate the compensation amount, and the amount cannot be measured with sufficient reliability at this stage. The Group will continue to proactively monitor the situation and reassess the need for financial provision as further information becomes available.

(b) Legal Proceedings

As disclosed in the announcement dated 8 January 2026, it was recently brought to the attention of the Board that, at the request of the bankruptcy trustee (the "**Trustee**") of Esprit Europe B.V. ("**Esprit Europe**"), which is a former subsidiary of the Company, a writ of summons filed with the Amsterdam District Court and unaccompanied by any supporting documents was received by the Company and Million Success Resources Limited ("**Million Success**"), an indirect wholly owned subsidiary of the Company.

According to the writ of summons, prior to the filing of bankruptcy of Esprit Europe, Esprit Europe transferred to Million Success the shares it held in Esprit (Holdings II) B.V. and Esprit International (GP) Inc., both of which were indirect co-owners of certain intellectual property rights, with a book value of EUR56.48 million at a purchase price of EUR10.2 million, which was set off against part of the shareholder loan from the Company (the "**Shareholder Loan**") and assumed by Million Success. Esprit Europe also transferred to the Company intra-group claims of approximately EUR28.2 million and debts of approximately EUR11.3 million for further set-off against the Shareholder Loan. Upon completion of these set off, the Shareholder Loan balance in excess of EUR49 million remained outstanding. The Trustee alleged that these transactions were detrimental to the interests of the joint creditors of Esprit Europe and requested the Company and Million Success to compensate creditors for the resulting damages and bear the costs of the proceedings.

The Company sought legal advice regarding the merit of the legal proceedings and was advised that the jurisdiction of the Kingdom of the Netherlands falls under Schedule 2 of the Foreign Judgments (Reciprocal Enforcement) Ordinance (Cap.319) ("**Ordinance**"). Therefore, a potential enforcement of a Netherlands judgment must come under the Ordinance. Section 2(2) of the Ordinance precludes the enforcement of foreign judgments regarding the winding up of companies. As such, the claim brought by the Trustee from the Netherlands of the wound-up Esprit Europe would be unenforceable in Hong Kong. The claim has therefore been brought without proper factual merit. The Company is actively taking appropriate measures including legal actions, to protect the legitimate rights of the Company, thereby safeguarding the interests of the Group and shareholders of the Company. For further details, please refer to the announcements of the Company dated 8 January 2026 and 22 July 2024.

As at the date of this announcement, the statement of defence was formally submitted on 12 August 2026 and accepted by the Dutch Court. However, the legal proceedings are still at an early stage, there is uncertainty as to the final outcome of the litigation and the current or future financial impact of the legal proceedings on the Group. No provision has been recognised in the financial statements as, based on the legal advice, the claim has been brought without proper factual merit and the amount cannot be measured with sufficient reliability at this stage. The Group will continue to proactively monitor the situation and reassess the need for a provision as further information becomes available.

13. RELATED PARTIES

During the six months ended 30 June 2026, a tenancy agreement was entered into between an indirectly wholly-owned subsidiary of the Company, as the tenant, and Filen Limited, as the landlord, in respect of the whole floor of 13th Floor of China United Centre, No. 28 Marble Road for a term of one year commencing from 1 July 2026 and expiring on 30 June 2027 (both days inclusive) at a monthly rental of HK$296,001.

As at the date of this announcement, Ms. LO Ki Yan Karen ("**Ms. LO**") indirectly holds 82.19% equity interests in Filen Limited. Ms. LO is a substantial shareholder of the Company, hence a connected person of the Company. Therefore, Filen Limited is an associate of Ms. LO and connected person of the Company. Details of the above connected transaction was disclosed in the Company's announcement dated 9 June 2026.

14. EVENT AFTER THE REPORTING PERIOD

Arbitration Award

As disclosed in the announcement dated 10 July 2026, the Company received an arbitration award (the "**Award**") from the ICC International Court of Arbitration in relation to its engagement of a law firm (the "**Firm**") on 4 April 2024 to provide legal services, for which the aggregate amount of the invoices issued by the Firm (the "**Invoices**") covering services rendered 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**").

In the Award, the arbitral tribunal (the "**Tribunal**") ordered the Company to pay the Firm US$3,927,922.81 and HK$40,900, together with simple interest at the rate of 9% per annum 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. For further details, please refer to the announcement of the Company dated 10 July 2026. The Company's legal adviser were in discussions with the Firm in relation to a payment plan. As at the date of this announcement, no agreement has been reached.

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. As at the date of this announcement, in light of the nature and terms of the Award, an additional provision of approximately HK$22.5 million has been made in the Company's unaudited consolidated financial statements for the Period. The Group will continue to proactively monitor the situation and reassess the level of provision as further information or updates becomes available.

MANAGEMENT DISCUSSION AND ANALYSIS

Building on the comprehensive restructuring initiated in 2024 to address unsustainable legacy-related costs and persistent retail losses, 2025 served as a critical inflection point in Esprit Holdings Limited's (the "**Company**", together with its subsidiaries, the "**Group**" or "**ESPRIT**") transition to a licensing-centric strategy. For the six months ended 30 June 2026 (the "**Period**"), the Group has firmly strengthened its asset-light, licensing-centric business model.

The Group's strategy aligns with the broader growth and resilience of the global brand licensing market. According to Licensing International's 2026 Global Licensing Industry Study, the global licensing industry generated approximately US$390 billion in licensed merchandise and services sales in 2025, representing year-on-year growth of 5.45%. This growth outpaced the broader retail market (4.52%), highlighting continued consumer demand for trusted and recognisable brands. Notably, North Asia (primarily comprising Mainland China, Japan and South Korea) was the fastest-growing licensing region globally, recording growth of 14.1%, while online retail accounted for 32% of licensed retail sales, with social commerce representing 16% of digital sales. These industry trends underscore the scalability and resilience of asset-light, IP-driven business models and support ESPRIT's strategy of monetising its brand equity through licensing arrangements with limited operational overheads.

The Group's licensing-centric strategy is also consistent with the operating model adopted by many of the world's leading brand owners and licensing companies. According to License Global's Top Global Licensors 2026 report, the licensors included in its annual ranking collectively generated approximately US$338 billion of retail sales from licensed consumer products in 2025, an increase of more than US$30 billion compared with the prior year. While this figure does not represent the total global licensing market, it demonstrates the substantial commercial scale achieved by leading licensing businesses. Fashion and apparel remained the largest non-entertainment licensing category globally. Reflecting the success of the licensing model, Authentic Brands Group ranked second worldwide with approximately US$36 billion in retail sales, while Bluestar Alliance ranked eighth with approximately US$13 billion in retail sales. These results illustrate the scale, maturity and commercial effectiveness of licensing-led brand management strategies among leading global brand owners.

During the Period, the Company focused on two key initiatives to drive growth of its licensing business. First, the Group continued to leverage its decades of experience in brand licensing to deepen relationships with existing partners and support their business development. Second, the Group actively engaged with prospective partners to explore new licensing opportunities. Consistent with its disciplined approach to partner selection and stringent screening standards, no new licensing agreements were entered into during the Period. Nevertheless, discussions with a number of prospective partners progressed constructively, and the Company remains optimistic that opportunities may come to fruition in due course. The continued interest received from potential partners further reflects the strength, heritage and ongoing commercial appeal of the ESPRIT brand in international markets.

Management actively deepened its engagement with existing licensee partners across Greater China, North America, and Latin America, through frequent strategic communications, operational guidance, and collaborative business planning, to reinforce ongoing partnerships and alignment on shared growth objectives. These key partnerships allow the Group to efficiently harness localised expert market intelligence, advanced e-commerce capabilities, and established distribution infrastructure to maximise market penetration with optimised capital expenditure. To maximise commercial return on its intellectual property, the Group worked closely with its licensee partners to diversify its product portfolio beyond its historical concentration in traditional apparel, thereby unlocking incremental revenue streams and expanding global brand reach.

The Group reported an unaudited net loss attributable to Shareholders of the Company (the "**Shareholders**") of approximately HK$88 million for the Period, as compared to the unaudited net profit attributable to Shareholders of approximately HK$1 million recorded for the six months ended 30 June 2025 (the "**Corresponding Period**"). During the Period, the Group's revenue from continuing operations increased gradually to approximately HK$15 million, compared to approximately HK$7 million in the Corresponding Period. This growth was primarily driven by the progressive scaling and commercialisation of licensing operations following the Group's strategic transition.

In respect of continuing operations, the Group recorded an unaudited net loss of approximately HK$88 million for the Period, compared with an unaudited net loss of approximately HK$21 million in the Corresponding Period. The increase in loss was primarily attributable to higher operating expenses, which rose to approximately HK$100 million during the Period from approximately HK$26 million in the Corresponding Period.

The increase in operating expenses was mainly due to impairment loss on trademarks of approximately HK$49 million and a one-off additional provision of approximately HK$25 million for legal and professional fees in connection with the arbitration proceedings disclosed in the Company's announcement dated 10 July 2026. The Group's underlying operating expenses (other than the aforesaid impairment loss on trademarks and legal and professional fees) were reduced from approximately HK$35 million for the Corresponding Period to approximately HK$26 million for the Period.

On the same basis (excluding the aforesaid impairment loss on trademarks and legal and professional fees), the Group's underlying unaudited net loss would have been approximately HK$14 million for the Period. The reduction in underlying operating expenses reflects the Group's continued focus on cost discipline and operational efficiency. The Company will continue to review its cost base and pursue opportunities to further enhance operational efficiency.

In respect of discontinued operations, the Group recorded no unaudited profit for the Period, compared with an unaudited profit of approximately HK$22 million in the Corresponding Period. The profit recorded in the Corresponding Period was non-recurring in nature and arose from the deconsolidation of the Company's former subsidiary in Canada.

During the first half of 2026, the Group continued to work closely with its high-calibre licensee partners to accelerate regional footprints, expand its product categories, and reactivate brand engagement:

Although the Group remained loss-making during the Period due primarily to one-off arbitration-related expenses and the impairment loss on trademarks, operational milestones achieved by its licensee partners provide momentum for future revenue growth.

Mainland China Operations:

Following the initial digital reactivation across major e-commerce platforms in Mainland China in late 2025, the Greater China licensee partner's 2026 growth strategy focuses on deepening market penetration across core online channels including Tmall, Douyin, Vip.com and JD.com. They will also broaden product categories to include bodywear. To raise brand visibility and strengthen brand equity, the licensee partner has also taken steps to refine its sub-licensee network and enhance quality control measures. Targeted heritage-focused marketing campaigns were deployed to drive digital conversion and deepen engagement across both loyal and younger consumer segments across Greater China.

Hong Kong Operations:

In late March, the Hong Kong licensee partner opened a second store in Olympian City, West Kowloon, further strengthening its retail footprint and supporting deeper market penetration in the region. In April 2026, popular rising artist "Kwai Fong" (Kay, 蔡蕙琪) served as a one-day store manager at this Olympian City flagship branch opening.

Additionally, the licensee partner initiated the ESPRIT × Mr. Nobodies collaboration in January 2026. The "Everyday Icon" campaign was also launched by the brand, primarily comprising open recruitment for everyday brand enthusiasts and vintage styling experience activities. During the first half of 2026, the brand successfully rolled out two rounds of recruitment under this campaign, attracting over 700 applicants. These marketing activities are designed to broaden consumer engagement, strengthen customer interaction, and enhance overall brand visibility.

North America Operations:

During the first half of 2026, the Group's licensee partner in North America made significant operational strides in preparing for a major regional commercial rollout. Throughout the Period, key onboarding processes for core e-commerce and wholesale channels were successfully completed, alongside the finalisation of strategic product developments and inventory preparations for the Fall 2026 collection launches.

Building on these operational foundations, subsequent to the reporting period in July 2026, the brand launched selected retro product lines, including iconic Esprit logo fleece crewnecks across major North American retail channels, including Costco in the United States and Walmart in Canada. These launches received positive social media attention and rapid inventory sell-through, driven by strong organic consumer sentiment and Gen X nostalgia. This positive consumer response highlights the region's enduring brand affection and provides a robust commercial launchpad as the Group's licensee partner expands its wholesale and retail distribution footprint across North America.

With this progress, the Company continues to pursue sustainable growth through this new business model, while remaining committed to its roots in traditional retail, e-commerce, and wholesale fashion. It is also exploring potential opportunities within these channels as general conditions improve, while staying alert for new prospects.

FINANCIAL REVIEW

The following financial reviews may incorporate combined financial metrics, as expressly indicated, consolidating the results of both continuing and discontinued operations for analytical clarity. These figures are presented to offer a more comprehensive overview of the Group's aggregate financial performance during the Period, particularly given that discontinued activities constituted a significant component of the Group's total business for the Corresponding Period. These combined figures are explicitly designated as supplementary measures and are not intended to substitute for the Group's statutory financial performance metrics prepared in accordance with International Financial Reporting Standards (IFRS).

Revenue Analysis

Following the strategic shift towards an asset-light, licensing-centric business model, the Group's revenue from continuing operations for the Period increased gradually to approximately HK$15 million, compared to approximately HK$7 million in the Corresponding Period. This growth was primarily driven by the progressive scaling and commercialisation of licensing operations following the Group's strategic transition.

During the Period, the Group demonstrated solid commercial progress through key licensee partners across core markets and has begun generating initial revenue. Moving forward, the Group will continue to expand its network of licensee partners, leveraging their expertise and scalable distribution channels to broaden product categories and extend the brands' market penetration. Additionally, the Group will explore potential opportunities to expand its distribution channels and broaden its brand portfolio when appropriate.

Gross Profit Margin

Given the nature of the Group's licensing business, which does not involve direct production, inventory management, or direct retail of products, the cost base associated with generating revenue is minimal. As such, gross profit margin is not considered a relevant metric for financial analysis.

Operating Expenses

As previously mentioned, the Company demonstrates continual progress achieved during the Period in controlling the cost structure and enhancing working capital efficiency. Operating expenses from continuing operations totaled approximately HK$100 million, compared to approximately HK$26 million recorded in the Corresponding Period. The increase in operating expenses was mainly due to impairment of trademarks of approximately HK$49 million and a one-off additional provision of approximately HK$25 million for legal and professional fees in connection with the arbitration proceedings disclosed in the Company's announcement dated 10 July 2026. The Group's underlying operating expenses (other than the aforesaid impairment loss on trademarks and legal and professional fees) were reduced from approximately HK$35 million for the Corresponding Period to approximately HK$26 million for the Period.

Within total operating expenses, staff costs declined from approximately HK$18 million in the Corresponding Period to approximately HK$11 million for the Period, representing a 39% reduction. The reduction was primarily driven by internal organisational restructuring implemented to optimise operational efficiency, streamline leadership structure and better align the overall headcount with the asset-light, licensing-centric business model.

WORKING CAPITAL MANAGEMENT

Inventories

Following the Group's strategic pivot from a high-cost and capital-intensive direct retail business model to an asset-light, licensing-centric business model, the structural elimination of inventory requirement has substantially strengthened the Group's working capital.

Accounts Receivable

The balance of accounts receivable stood at approximately HK$8 million as at 30 June 2026 (31 December 2025: approximately HK$5 million), representing an 65% increase. This increase is attributable, in part, to the timing of settlement of the royalty income associated with licensing agreements.

Accounts Payable

The accounts payable balance stood at nil as at 30 June 2026 and 31 December 2025. It is a direct consequence of eliminating the need for inventory maintenance and delegating operating execution, thereby mitigating associated financial and operational risks.

LIQUIDITY AND FINANCIAL RESOURCES ANALYSIS

Net Cash

As at 30 June 2026, total recorded cash, bank balances, and deposits remained stable at approximately HK$55 million (31 December 2025: approximately HK$55 million). The stable cash position was driven by overall cash flows across the business (including both continuing and discontinued operations), supported in part by a net working capital inflow from a decrease in debtors, deposits, and prepayments of approximately HK$10 million, which offset operational cash outflows during the Period.

Total Interest-Bearing External Borrowings and Gearing Ratio

As at 30 June 2026, the Group's total interest-bearing external borrowings amounted to approximately HK$125 million (31 December 2025: approximately HK$126 million). Consequently, the Group's gearing ratio (defined as the percentage of total interest-bearing external borrowings to total assets) increased to 42% as at 30 June 2026, compared to 35% as at 31 December 2025. The increase was primarily attributable to a reduction in total assets arising from the impairment loss on trademarks of approximately HK$49 million recognised during the Period. Notwithstanding this, the directors of the Company (the "**Directors**") remains committed to actively exploring opportunities to expand the capital base through disciplined fundraising efforts. This initiative is strategically aimed at supporting future growth and financing subsequent investment initiatives, in line with the Group's long-term objective of value creation.

Capital Structure

The Company did not conduct any equity fund raising activities during the Period (31 December 2025: nil). As at 30 June 2026, the total number of issued shares of the Company was 283,081,734 shares, each with a par value of HK$0.1 (31 December 2025: 283,081,734). The Group's working capital requirements and capital expenditure were primarily funded from cash on hand, internally generated funds, and long-term borrowings.

Foreign Exchange Risk

The Group operates internationally and is consequently exposed to foreign exchange ("**FX**") risk arising from various currency fluctuations. Key currencies giving rise to this exposure primarily includes the Euro, Renminbi and United States Dollars. FX risk dominantly arises from future commercial transactions and anticipated foreign exchange commitments. To a lesser extent, its stems from recognised monetary assets and liabilities that are denominated in currencies other than the functional currencies of the Group's entities. The Directors will continue to proactively monitor the foreign exchange exposure, considering appropriate actions necessary to mitigate such risk and protect the Group's net assets and profitability.

Treasury Policy

The Group adopts a prudent funding and treasury policy in its financial management, aimed at ensuring robust financial stability and adequate liquidity. Cash resources are generally placed in short-term deposits with reputable banks, seeking to minimise risk while optimising yield. These balances are predominantly held in Hong Kong Dollars and United States Dollars. Furthermore, the Group maintains continuous review of its capital structure and proactively monitors current and expected liquidity requirements. This strategy ensures funding arrangements are continuously updated to align with evolving business needs and secure the necessary capital to finance future growth and development initiatives.

Significant Investment and Material Acquisitions and Disposals

Save for those disclosed in this announcement, there were no other significant investments held, nor were there material acquisitions or disposals of subsidiaries during the Period (31 December 2025: nil).

Capital Commitments

As at 30 June 2026, the Group did not have significant capital commitments (31 December 2025: nil).

Charges on Group Assets

As at 30 June 2026, the Group's long-term borrowings were mainly secured by:

(i) All the undertakings, properties and assets of three subsidiaries of the Company. The assets held by these subsidiaries included trademarks of the Group, recorded at an aggregate carrying amount of approximately HK$216 million at the group level as of 30 June 2026 (31 December 2025: approximately HK$264 million);

(ii) The shares of certain subsidiaries of the Company; and

(iii) Loan receivables owing by a joint venture, with the carrying amount of nil as at 30 June 2026 (31 December 2025: nil).

As at 30 June 2026, save for those disclosed elsewhere in this announcement, the Company had not otherwise charged its assets as collateral (31 December 2025: nil).

Contingent Liabilities

As at 30 June 2026 and 31 December 2025, save for those disclosed in the note 12 to the above unaudited condensed consolidated interim financial information or elsewhere in this announcement, the Company did not have significant contingent liabilities.

NUMBER OF EMPLOYEES AND REMUNERATION POLICY

The Group employed approximately 28 full time equivalent staff ("**FTE**") as at 30 June 2026 (30 June 2025: approximately 38 FTE). This reduction was primarily driven by an internal organisational restructuring implemented to optimise operational efficiency, streamline leadership structure and better align the overall headcount with the asset-light, licensing-centric business model. The Group maintains its fundamental commitment to attracting and retaining high-calibre, competent employees. Remuneration packages designed to competitive with the relevant external market, structured to reflect business performance, and calibrated according to prevailing market conditions, ensuring equitable compensation for employee contributions.

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the Period. The Board will constantly monitor and review the situation in the coming future.

IMPORTANT EVENTS AFTER THE END OF THE PERIOD

Save for those disclosed in the note 14 to the above unaudited condensed consolidated interim financial information, there are other no major subsequent events since the end of the Period and up to the date of this announcement.

OUTLOOK

The operating outlook of the global fashion industry continues to navigate complex macroeconomic conditions and ongoing geopolitical developments. McKinsey's Fashion Growth Forecasts predict that the global fashion industry will maintain at a low single-digit growth in 2026, reflecting persistent cost pressures and value-conscious consumer purchasing behaviour across major markets. Despite these challenging conditions, the global licensing sector has demonstrated remarkable resilience and growth, with global retail sales of licensed merchandise reaching approximately US$390 billion according to Licensing International's 2026 Global Licensing Industry Study. The licensing-centric model continues to thrive by capitalising on shifting consumer preferences toward nostalgia, heritage brand equity, accessible luxury, and value-driven propositions. By leveraging an asset-light framework, the Group effectively minimises capital expenditures and inventory risks while scaling brand touchpoints rapidly through strategic, high-calibre partners. Building upon the commercial agreements finalised in prior periods, the first half of 2026 marked a pivotal transition into concrete market activations and commercial revenue generation, providing momentum for the second half of 2026 and beyond.

Mainland China

To complement its growing digital footprint, the Group's licensee partner is advancing plans for a staged rollout of physical retail stores across core Tier-1 and Tier-2 cities, alongside curated interactive pop-up store activations scheduled throughout the second half of 2026. These physical touchpoints are engineered to elevate brand visibility, deliver immersive physical brand experiences, and cultivate deeper engagement with a new generation of digital-first consumers.

This strategic expansion aligns with a stabilising sentiment in Mainland China. According to The State of Fashion 2026 report published by McKinsey & Company and The Business of Fashion (BoF), executive pessimism toward the Chinese market has eased significantly, unpromising market sentiment dropped from 41% heading into 2025 to 28% for 2026. While overall consumer confidence remains cautious amid ongoing real estate pressures, domestic demand is supported by a 6% growth in affluent households through 2027 and a projected overall fashion market growth of a low single digit in 2026.

Building on its successful online-to-offline strategy and strong support from e-commerce platforms, the licensee partner is now focused on establishing a dedicated offline retail presence in the second half of 2026, alongside ongoing enhancements to product design and quality. Considerable progress is already underway. They have finalised store concepts and secured prime sites in high-traffic shopping malls, providing a strong foundation for future growth.

Hong Kong

Upcoming strategic collaborations with various industry partners will maintain the brand's commercial momentum in Hong Kong. The Group will also explore innovative apparel applications across diverse new creative sectors and lifestyle domains, continuously refreshing brand relevance among local consumers and visitors alike.

North America

Following the operational groundwork established earlier in the year, key product lines were officially introduced to the regional market in mid-July 2026 across major retail channels, including Costco in the United States and Walmart in Canada. The commercial rollout received an overwhelmingly positive response from consumers, driving rapid sell-outs and strong early market traction.

This initial success partly reflects the broader macroeconomic shifts across North America. Insights from The State of Fashion 2026 Report project a low single-digit growth for the US fashion market, heavily shaped by heightened tariff pressures and elevated living costs. In McKinsey's executive survey, 76% of fashion leaders identified trade disruptions and tariff impacts as the defining issue for 2026, leading 45% of North American apparel executives to anticipate raising retail prices by more than 5% to offset rising input costs.

The Group will continue to execute its asset-light, licensing-centric business model. The Group will keep control over brand-critical functions, including intellectual property protection, brand identity and strategy, marketing strategy, as well as product design and quality oversight, while capital-intensive functions including sourcing, merchandising, distribution and retail execution are delegated to selected, experienced third-party licensee partners. This framework continues to lower fixed-cost exposure, minimise inventory-related risks, improve working-capital efficiency, and focus management resources on brand building, rigorous licensee selection and ongoing partner stewardship.

Against a mixed macro-economic backdrop for the global fashion industry, characterised by persistent geopolitical and inflationary headwinds alongside growing market appetite for brand-licensed merchandise, the Group will prioritise the commercial realisation of its existing licensing partnerships across key geographies including Greater China, North America and Latin America. Management will focus on driving operational ramp-up of recently-onboarded licensees, monitoring product launches, retail roll-outs and e-commerce activation, with a view to generating steady royalty-based income streams. The Group will continue to evaluate additional licensing opportunities across untapped geographic markets and complementary product categories to further diversify its revenue base.

Notably, under this asset-light business model, the acquisition and disposal of trademarks shall constitute one of the Group's principal activities. Revenue derived from trademark-buying-and-selling transactions will be generated in the usual and ordinary course of the Group's business. Beyond licensing royalty streams, the Group will pro-actively assess selective opportunities to acquire, dispose of or otherwise transact in trademark-related intellectual property assets. Such IP-trading activity forms an integral component of the Group's overall brand-IP-monetisation strategy. All prospective trademark purchase and sale transactions will be subject to thorough commercial, legal and financial due-diligence assessment, with management evaluating valuation metrics, counterparty credentials, jurisdictional-specific IP-law considerations, risk-return profiles and alignment with the Group's long-term brand objectives prior to execution.

Operationally, the Group will maintain strict cost discipline, continuing to optimise overheads and keep fixed operating expenditure tightly aligned with its scaled-down asset-light operating footprint. The Board will keep reviewing capital-raising alternatives to reinforce the Group's capital base and liquidity position, to fund prospective intellectual-property-related transactions as well as general corporate working-capital requirements.

With respect to risks and uncertainties, global consumer sentiment, macroeconomic volatility, regulatory changes and legal disputes over intellectual-property ownership may continue to impact timelines and commercial outcomes. The Group will closely monitor these external variables and adjust its tactical priorities as appropriate.

The Group's core objective remains to advance its licensing-driven commercial momentum, while leveraging trademark-related buying-and-selling activities as a core ordinary-course business lever to maximise value extraction from the ESPRIT brand and its intellectual-property portfolio.

AUDIT COMMITTEE

The Audit Committee currently comprises three Independent Non-executive Directors, namely Mr. LO Kin Ching Joseph, Mr. YU Chung Leung and Ms. LIU Tsui Fong. The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process and internal control system, to oversee the audit process and the Company's relations with the auditors, and to perform other duties as assigned by the Board.

During the Period, the Audit Committee has reviewed the accounting policies and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters. The condensed consolidated interim financial information of the Group for the Period had not been audited or reviewed by auditors but had been reviewed by the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's shares during the Period.

CORPORATE GOVERNANCE

Throughout the Period, the Company has applied the principles of and complied with the applicable code provisions of the Corporate Governance Code as set out in Appendix C1 of the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transaction by Directors of Listed Issuers (the "**Model Code**") contained in Appendix C3 of the Listing Rules.

The Company has made specific enquiry with all Directors and all of them confirmed that they have complied with the required standard set out in the Model Code for the Period.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Company (http://www.espritholdings.com) and the Stock Exchange (https://www.hkexnews.hk). The 2026 interim report of the Company will be dispatched to the shareholders of the Company and published on the aforesaid websites in September 2026.

By order of the Board
Esprit Holdings Limited
WRIGHT Bradley Stephen
Acting Chairman

Hong Kong, 27 August 2026

Dates and times 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