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ESPRIT

ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00330)

HONG KONG PROFITS TAX

This announcement is made by Esprit Holdings Limited (the “**Company**”, together with its subsidiaries, being the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As previously disclosed in notes accompanying the consolidated financial statements of the Company, the Inland Revenue Department of Hong Kong (“**IRD**”) had initiated tax inquiries concerning the taxability of income generated by subsidiaries engaged in the distribution operation of the Group. As a result, the IRD issued notices of tax assessment and agreed to hold-over the additional tax subject to the purchase by the Group of tax reserve certificates, which the Group purchased. After considering advice from the Group’s tax advisor and based on the facts and circumstances at the relevant time, the Company made tax provisions in the aggregate amount of HK\$632 million in the consolidated financial statements.

The Board of Directors is pleased to announce that the Group has received favorable revised notices of tax assessment and a corresponding cash refund in the aggregate amount of approximately HK\$134 million. In addition, the Group will write back the excess of the tax provision in the amount of approximately HK\$409 million to its Income Statement, which will contribute positively to the financial results of the Group for the financial year 2015/16.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Florence Ng Wai Yin
Company Secretary

Hong Kong, 19 April 2016

As at the date of this announcement, the Board comprises (i) Mr Jose Manuel Martínez Gutiérrez (Group Chief Executive Officer) and Mr Thomas Tang Wing Yung (Group Chief Financial Officer) as Executive Directors; (ii) Mr Jürgen Alfred Rudolf Friedrich as Non-executive Director; and (iii) Dr Raymond Or Ching Fai (Chairman), Mr Paul Cheng Ming Fun (Deputy Chairman), Dr José María Castellano Ríos, Mr Alexander Reid Hamilton, Mr Carmelo Lee Ka Sze and Mr Norbert Adolf Platt as Independent Non-executive Directors.