
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Esprit Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 00330)

PROPOSED ADOPTION OF NEW SHARE AWARD SCHEME; REFRESHMENT OF THE OPTION SCHEME MANDATE LIMIT OF THE 2018 SHARE OPTION SCHEME; PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL; AND NOTICE OF SPECIAL GENERAL MEETING

A notice convening the Special General Meeting of the Company to be held at Salons, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Tuesday, 6 July 2021 at 2:30 p.m. or any adjournment of the meeting is set out on pages 19 to 22 of this circular.

Whether or not you are able to attend the Special General Meeting, you are requested to complete the form of proxy enclosed with this circular in accordance with the instructions printed on it and return it, together with the power of attorney or other authority (if any) under which the form of proxy is signed or a certified copy of such power of attorney or authority, to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Special General Meeting or any adjourned meeting thereof (as the case may be). You may also submit your form of proxy electronically by scanning the QR code or visiting the designated URL <https://spot-meeting.tricor.hk>, through using the username and password provided on the notification letter dated 15 June 2021 sent to you by the Company. Completion and return of the form of proxy shall not preclude you from attending and voting at the Special General Meeting or any adjourned meeting thereof (as the case may be) if you so wish, and in such event, your appointment of proxy under any form of proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE SPECIAL GENERAL MEETING

To safeguard the health and safety of Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the Special General Meeting:

- (1) Compulsory body temperature check for each attendee
- (2) Mandatory wearing of a surgical face mask by each attendee
- (3) Mandatory health declaration by each attendee
- (4) The Company may limit the number of attendees at the Special General Meeting as may be necessary in order to maintain appropriate distancing and spacing in compliance with the guidance issued by Hong Kong Government from time to time
- (5) No distribution of corporate gifts and/or refreshments at the Special General Meeting

For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the Special General Meeting by appointing the chairman of the Special General Meeting as their proxy and to return their forms of proxy by the time specified above, instead of attending the Special General Meeting in person. The form of proxy can be downloaded from the Company's website (www.espritholdings.com) or the Stock Exchange's website (www.hkexnews.hk).

The Company will keep the evolving COVID-19 pandemic situation under review and may implement additional measures. It may announce additional measures closer to the date of the Special General Meeting where necessary.

Hong Kong, 15 June 2021

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DEFINITIONS

In this circular and the appendix to it, unless the context otherwise requires, the following expressions have the following meanings:

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| “2016 Share Award Scheme” | the employees’ share award scheme adopted by the Company on 17 March 2016 |
| “2009 Share Option Scheme” | the share option scheme of the Company adopted at an annual general meeting of the Company held on 10 December 2009 and terminated on 5 December 2018 |
| “2018 Share Option Scheme” | the share option scheme of the Company adopted at an annual general meeting of the Company held on 5 December 2018 |
| “Adoption Date” | 6 July 2021 being the date of the SGM approving the New Share Award Scheme and its implementation |
| “Annual Limit” | a limit equal to 3% of the Company’s issued share capital as at the Adoption Date as the maximum number of Awarded Shares which can be issued under the New Share Award Scheme from the Adoption Date up to the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by its bye-laws or any applicable law to be held; and (iii) the revocation or variation of the approval by members of the Company in general meeting subject to refreshment annually |
| “Award” | an award of Awarded Shares to Selected Grantee(s) pursuant to the New Share Award Scheme |
| “Awarded Shares” | those awarded shares to be awarded to the Selected Grantee(s) pursuant to the terms and conditions of the New Share Award Scheme |
| “Board” | the board of Directors |
| “Company” | Esprit Holdings Limited (stock code: 00330), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange |
| “connected person” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “Eligible Participant(s)” | any employee (whether full time or part time), consultant, executive or officers, directors (including any executive director, non-executive director and independent non-executive director) and senior management of any member of the Group, who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group |

DEFINITIONS

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| “Excluded Participant” | any Eligible Participant who is resident in a place where the award of the Awarded Shares and/or the vesting of the Awarded Shares pursuant to the terms of the New Share Award Scheme is not permitted under the laws or regulations of such place or where in the view of the Board, compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant |
| “Group” | the Company together with its subsidiaries from time to time; “member of the Group” means any or a specific one of them, and “Group Company” shall be construed accordingly |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Increase in Authorised Share Capital” | the authorized share capital of the Company increased from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$3,000,000,000 divided into 30,000,000,000 Shares (ranking pari passu with the existing Shares in all respects upon issue) |
| “Latest Practicable Date” | 9 June 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Ms. LO” | Ms. LO Ki Yan Karen |
| “New Share Award Scheme” | the share award scheme of the Company proposed to be adopted by the Company on the Adoption Date |
| “Award Scheme Mandate Limit” | the maximum number of Awarded Shares that may be issued pursuant to the New Share Award Scheme, being 10% of the issued share capital of the Company as at the Adoption Date |
| “Option Scheme Mandate Limit” | the maximum number of the Shares that may be issued pursuant to the 2018 Share Option Scheme, being 10% of the issued share capital of the Company as at the date of approval of the 2018 Share Option Scheme |
| “Option Shares” | the new Share(s) to be issued pursuant to the exercise of share options to be granted under the refreshed Option Scheme Mandate Limit |
| “Rights Issue” | the Rights Issue undertaken by the Company and completed on 20 April 2021, details of which are more particularly set out in the Company’s announcement dated 27 January 2021 |

DEFINITIONS

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|------------------------|---|
| “Selected Grantee(s)” | Eligible Participant(s) (excluding any Excluded Participant) selected by the Board (at its absolute discretion) to participate in the Scheme subject to the terms and conditions as the Board may determine |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “SGM” | the special general meeting of the Company to be convened on Tuesday, 6 July 2021 for the purpose of considering and, if thought fit, approving (i) the New Share Award Scheme and its implementation including the Specific Mandate; (ii) the refreshment of the Option Scheme Mandate Limit of the 2018 Share Option Scheme; and (iii) the Increase in Authorized Share Capital |
| ”SGM Notice” | the notice convening the SGM set out on pages 19 to 22 of this circular |
| “Share(s)” | ordinary share(s) of HK\$0.1 each in the issued share capital of the Company |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Share Option Schemes” | the 2009 Share Option Scheme and the 2018 Share Option Scheme |
| “Specific Mandate” | the specific mandate to be sought from the Shareholders at the SGM authorising the Board to issue and allot new Shares up to the Annual Limit of the New Share Award Scheme, being 84,924,520 new Shares assuming no change in the issued share capital of the Company between the Latest Practicable Date and the date of the SGM |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vesting Date” | the date on which a Selected Grantee’s entitlement to the Awarded Shares under an Award is vested in such Selected Grantee in accordance with the terms of the Scheme and the relevant Award |
| “HK\$” | Hong Kong Dollars, the lawful currency of Hong Kong |
| “%” | per cent |

LETTER FROM THE BOARD



ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 00330)

Executive Directors:

Ms. CHIU Christin Su Yi

Mr. DALEY Mark David

Dr. WAN Yung Ting

Registered office:

Clarendon House

Church Street

Hamilton HM 11

Bermuda

Independent Non-Executive Directors:

Mr. CHUNG Kwok Pan

Mr. GILES William Nicholas

Ms. LIU Hang-so

Mr. LO Kin Ching Joseph

Principal place of business in Hong Kong:

27th Floor,

China United Centre,

28 Marble Road,

North Point,

Hong Kong

15 June 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED ADOPTION OF THE NEW SHARE AWARD SCHEME;
REFRESHMENT OF THE OPTION SCHEME MANDATE LIMIT OF
THE 2018 SHARE OPTION SCHEME;
PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL; AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 23 April 2021 in respect of the termination of the 2016 Share Award Scheme, the proposed adoption of the New Share Award Scheme, the refreshment of the Option Scheme Mandate Limit under the 2018 Share Option Scheme, and the proposed Increase in Authorized Share Capital. The purpose of this circular is to provide you with information regarding resolutions to be proposed at the SGM to enable you to make an informed decision on whether to vote for or against the resolutions.

Resolutions in respect of the New Share Award Scheme, the refreshment of the Option Scheme Mandate Limit under the 2018 Share Option Scheme and the Increase in Authorized Share Capital will be proposed to, and considered by, the Shareholders at the SGM as to the adoption/ approval thereof.

LETTER FROM THE BOARD

THE NEW SHARE AWARD SCHEME

A summary of the principal terms of the New Share Award Scheme is set out below.

Purpose of the New Share Award Scheme

The specific objectives of the New Share Award Scheme are:—

- (i) to recognise the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group's business; and
- (ii) to attract suitable personnel with relevant experience in the Group's business including but not limited to the development of the e-commerce business.

Eligible Participants

The Eligible Participants include any employee (whether full time or part time), consultant, executive or officers, directors (including any executive director, non-executive director and independent non-executive director) and senior management of any member of the Group, who, in the sole discretion of the Board, has contributed or may contribute to the growth and development of the Group.

The Company will select the Eligible Participants based on (i) their contributions to the continual operation and development of the Group's business; and (ii) their working or professional experience in the fields that could boost the development of the Group, including but not limited to e-commerce and digital transformation. The Eligible Participants are expected to be high caliber individuals that are either (i) within the Group so as that the Group can recognise their contributions and to provide them with incentives in order to retain them for the continual operation and development of the Group's business; or (ii) newly engaged by the Group such as a consultant with relevant expertise and experience in the Group's business including but not limited to the development of the e-commerce business. Each Eligible Participant has made or is expected to make a contribution to the business development of the Group, which is consistent with the purpose of the New Share Award Scheme. Upon the advice of the senior management, the Board will decide whether such person has fulfilled the specific criteria as set out by the Board in respect of his/her performance, qualification and contribution as a consultant, including but not limited to education background, qualification obtained, area of expertise, experience, achievement and reputation in the industry, length of engagement with the Company, support provided to the Company, and financial impact and achievement made during the engagement or likely to be made in the proposed engagement. The Board can update the criteria and any other performance indicators from time to time in light of the circumstances.

The New Share Award Scheme does not constitute a share option scheme of the Company for the purpose of Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

Conditions Precedent and Duration

The New Share Award Scheme is conditional upon the satisfaction of the following conditions:

- (i) the New Share Award Scheme and its implementation including the Specific Mandate for the issue of Awarded Shares under the New Share Award Scheme being approved by the Shareholders entitled to vote at the SGM; and
- (ii) the Listing Committee of the Stock Exchange having granted an approval for the listing of and permission to deal in the Awarded Shares.

The Board may, at its discretion, determine that the condition in sub-paragraph (ii) above be satisfied in respect to each grant of Awarded Share(s) without affecting the operation of the New Share Award Scheme in general. Awarded Share(s) may only be issued after obtaining from the Stock Exchange the listing of, and permission to deal in, such Awarded Share(s).

Subject to the satisfaction of the aforesaid conditions, and any early termination as may be determined by the Board pursuant to the New Share Award Scheme, the New Share Award Scheme shall be valid and effective for a term commencing on the Adoption Date and ending on the tenth (10) anniversary of the Adoption Date.

Administration

The New Share Award Scheme shall be subject to the administration of the Board in accordance with the rules of the New Share Award Scheme and, unlike the 2016 Share Award Scheme, the Company (or the Board) will not hold any Awarded Shares pending the vesting date so no trustee will be appointed in respect of the New Share Award Scheme's administration. The Awarded Shares, once issued to the grantee upon the vesting date, will rank equal to all other Shares in issue at that time. The relevant Selected Grantee(s) will have the right to vote and to receive dividends or distributions relating to the Awarded Shares. The decisions of the Board as to all matters relating to the New Share Award Scheme or its interpretation shall be final and binding.

Operation of the New Share Award Scheme

The Board may from time to time, at its absolute discretion, select any Eligible Participant (excluding any Excluded Participant) for participation in the New Share Award Scheme as a Selected Grantee and grant such number of Awarded Shares to any Selected Grantee and in such number and subject to such terms and conditions as the Board may in its absolute discretion determine.

The Board has an overriding power at all times to refuse to issue any Awarded Shares in circumstances including if the Board considers that issuing such Awarded Shares may breach or contravene any law, rule or regulation.

LETTER FROM THE BOARD

Dealing restrictions under the New Share Award Scheme

No new Awarded Shares shall be issued under the New Share Award Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such grant is to be made and no such new Awarded Shares shall be issued:

- a. after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until such inside information has been publicly announced in accordance with the application laws and the Listing Rules;
- b. during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- c. during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant quarterly (where applicable) or half-year period of the financial period up to the publication date of the results; or
- d. in any circumstance which is prohibited under the Listing Rules, the SFO or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.

Award Scheme Mandate Limit and Specific Mandate

The Board shall not make any further Award which will result in the aggregate number of Shares awarded by the Board under the New Share Award Scheme exceeding the Award Scheme Mandate Limit, being 10% of the issued share capital of the Company as at the Adoption Date (being 283,081,734 Shares assuming no change in the Company's 2,830,817,343 total issued Shares between the Latest Practicable Date and the date of the SGM). The maximum aggregate number of the Shares which may be awarded to a Selected Grantee under the New Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the date of grant of the Award.

In determining the aforesaid limits of the New Share Award Scheme, the Board has taken into account that (i) the number of Eligible Participants that may be entitled to the New Share Award Scheme being estimated to be over 3,000 in number and (ii) in respect of each Selected Grantee's individual limit under the New Share Award Scheme, similar individual limit has been imposed under the 2016 Share Award Scheme.

LETTER FROM THE BOARD

The Company also proposes to implement the following mechanisms to the New Share Award Scheme and its operations:—

- (i) subject always to the Award Scheme Mandate Limit, the Company proposes to impose a limit equal to 3% of the Company's issued share capital as at the date on which the Specific Mandate is approved by the Shareholders at the SGM (being 84,924,520 Shares, based on the Company's 2,830,817,343 issued Shares as at the Latest Practicable Date) as the maximum number of Awarded Shares which can be issued from the Adoption Date to the earliest of (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by its bye-laws or any applicable law to be held; and (c) the revocation or variation of the approval by members of the Company in general meeting; and
- (ii) the Company may, on an annual basis, seek approval from the Shareholders at a general meeting to refresh the Annual Limit such that the maximum number of Awarded Shares to be awarded in the relevant refreshed period (excluding Awards that have been cancelled or lapsed) will not exceed 3% of the Company's issued share capital as at the date of the general meeting approving such refreshment. To the extent the Annual Limit has expired and the Company has not sought the Shareholders' approval to refresh the Annual Limit at a general meeting, the Company may not grant further Awards until refreshment of the Annual Limit is approved by Shareholders at a general meeting.

The Annual Limit is determined by reference to (i) the maximum number of Shares that may be issued under the New Share Award Scheme, (ii) the possible level of impact to the profit and loss of the Group. It is proposed with a view to providing a more restricted time frame and dilution effect in terms of issuance of a proportion of the Awarded Shares that may fall to be issued; and (iii) the prevailing market practice, e.g. the scheme limit of similar share award scheme adopted by other listed companies.

The Specific Mandate will be sought from the Shareholders at the SGM in respect of the issuance of the Awarded Shares. As at the Latest Practicable Date, the Board has no present intention to grant any Award immediately upon adoption of the New Share Award Scheme at the SGM as it has not identified any Selected Grantee.

Where any grant of Awarded Shares is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, notwithstanding the approval by the Shareholders of the Specific Mandate, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

LETTER FROM THE BOARD

The table below, which is for illustration purpose only, sets out the shareholding structure of the Company (i) as at the Latest Practicable Date, and (ii) upon satisfaction of all vesting conditions under an Award (if any) and allotment and issue of all Awarded Shares capped by the Annual Limit; and (iii) upon satisfaction of all vesting conditions under an Award (if any) and allotment and issue of all Awarded Shares under the New Share Award Scheme, assuming no other Shares are issued between the Latest Practicable Date and the date on which all Awarded Shares underlying the New Share Award Scheme are issued, and that no Award is granted to connected persons of the Company:

| | As at the Latest Practicable Date | | Immediately after the issue of all the Awarded Shares under the Annual Limit | | Immediately after the issue of all the Awarded Shares under the New Share Award Scheme | |
|--------------------------|-----------------------------------|----------------------|--|----------------------|--|----------------------|
| | <i>Number of Shares</i> | <i>%</i> | <i>Number of Shares</i> | <i>%</i> | <i>Number of Shares</i> | <i>%</i> |
| Selected Grantees | — | — | 84,924,520 | 2.91 | 283,081,734 | 9.09 |
| Substantial Shareholder: | | | | | | |
| Ms. LO (Note 2) | 790,396,800 | 27.92 | 790,396,800 | 27.11 | 790,396,800 | 25.38 |
| Public shareholders | <u>2,040,420,543</u> | <u>72.08</u> | <u>2,040,420,543</u> | <u>69.98</u> | <u>2,040,420,543</u> | <u>65.53</u> |
| Total | <u><u>2,830,817,343</u></u> | <u><u>100.00</u></u> | <u><u>2,915,741,863</u></u> | <u><u>100.00</u></u> | <u><u>3,113,899,077</u></u> | <u><u>100.00</u></u> |

Notes:

1. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.
2. As at the Latest Practicable Date, each of Ms. LO and North Point Talent Limited was a Substantial Shareholder of the Company, 790,396,800 Shares represent the aggregate of (i) 364,782,600 Shares held by North Point Talent Limited and (ii) 425,614,200 Shares held by Ms. LO. Ms. LO was the sole shareholder of North Point Talent Limited as at the Latest Practicable Date. Therefore, Ms. LO was deemed to be interested in the 364,782,600 Shares held by North Point Talent Limited under the SFO.

Effect on the shareholding structure of the Company

The Directors noted from the above table that the dilution effect on the Shareholders is approximately 2.91% and 9.09% upon the issue of all the Awarded Shares under the Annual Limit and under the Award Scheme Mandate Limit respectively.

The dilution effect to the Shareholders is approximately 9.09% upon issue of the maximum number of Awarded Shares under the Award Scheme Mandate Limit. In order to allow investors to assess the annual dilution effect with reasonable certainty and provide the Company the flexibility to grant Award Shares to Selected Grantees annually, the Directors propose to implement the mechanism of the Annual Limit.

LETTER FROM THE BOARD

The Group's profit and loss will be affected as the expense caused by an issue of the Awarded Shares under the Annual Limit will be recognized each year of the vesting period. The expense recognized in a particular year is determined by the fair value of shares that might be issued upon vesting and the length of the vesting period. As the Annual Limit is proposed to be as low as 3%, the Directors are of the view that the profitability impact of share issuance under the Annual Limit will not be material on the financial position of the Group.

The Annual Limit has effectively limited the dilution effect to a relatively low level (i.e. approximately 2.91%). Shareholders have the right to vote for or against the refreshment of the Annual Limit. If the Annual Limit is not refreshed, no Awarded Shares will be granted. After balancing the benefits that can be generated from the New Share Award Scheme to the Group as a whole and the relatively limited dilution effect on the Shareholders, the Directors are of the opinion that the issue of Awarded Shares under the Annual Limit will be justifiable.

Vesting of Awarded Shares

The Board is entitled to impose any condition as it deems appropriate in its absolute discretion with respect to the vesting of the Awarded Shares on the Selected Grantee, and shall inform such Selected Grantee the relevant conditions of the Award. Subject to the Board's discretion, such vesting conditions may include (but are not limited to) length of service, and contribution to the Group's performance by reference to pre-defined performance indicators.

Subject to the terms and conditions of the New Share Award Scheme and the fulfillment of all vesting conditions to the vesting of the Awarded Shares on such Selected Grantee as specified in the New Share Award Scheme and the letter of award, the respective Awarded Shares shall vest in such Selected Grantee in accordance with the vesting schedule (if any) as set out in the letter of award.

A Selected Grantee shall not have any interest or rights (including the right to receive dividends) in the Awarded Shares and non-cash income derived from such Awarded Shares prior to the Vesting Date.

The Company may only issue Awarded Shares upon vesting and on the Vesting Date as and when the vesting condition(s) attaching to such Awarded Shares are satisfied or waived by the Board.

If there occurs an event of change of control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, the Board shall determine at its sole discretion whether such Awarded Shares shall vest in the Selected Grantee and the time at which such Awarded Shares shall vest. If the Board determines that any Award shall vest in part only, the balance of the Award shall lapse. The Board also has absolute discretion in determining pre-mature vesting in the event of winding-up of the Company. The exercise of the Board's discretion is subject to fiduciary duties applicable to each Director.

In the event the Company undertakes a subdivision or consolidation of Shares, the Selected Grantee's entitlements to such Awarded Shares shall be correspondingly subdivided or consolidated. The New Share Award Scheme Mandate Limit, Annual Limit and individual limit shall be subdivided or consolidated in the same proportion as such Share subdivision or consolidation. Unvested Awarded Shares (which are not issued) do not carry any right to subscribe for Shares in the event the Company undertakes an open offer or rights issue, or to any bonus warrant, bonus issue of Shares, scrip Shares, or other distribution by the Company.

LETTER FROM THE BOARD

Award not assignable

Prior to the Vesting Date, an Award shall not be assignable and no Selected Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to the Awarded Shares referable to him pursuant to such Award.

Awarded Shares

The Awarded Shares, once issued upon vesting, will rank equal to all other Shares in issue at that time. The relevant Selected Grantee(s) will therefore have the right to receive dividends on the Awarded Shares, dispose of the Awarded Shares and/or exercise the rights underlying the Awarded Shares as per his/her own wishes once they are issued. The Selected Grantees are not required to make any payment to accept an Award and the relevant Subscription price will be paid by the Company.

Lapse of Award

In the event that prior to or on the Vesting Date, a Selected Grantee is found to be an Excluded Participant or is deemed to cease to be a Selected Grantee pursuant to the terms of the New Share Award Scheme, the relevant Award made to such Selected Grantee shall, to the extent not yet vested, automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date.

An Award, whether vested or unvested, shall automatically be cancelled in certain other events as stipulated under the New Share Award Scheme, including when a Selected Grantee (i) ceases to be an employee of the Group for cause, (ii) is engaged in business that is competitive with that of the Group, (iii) causes material losses to the Group due to a failure to perform his/her management duties, and (iv) violate confidentiality obligations under any letter of the Award.

Alteration

The New Share Award Scheme may be amended in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Grantee hereunder except with consent of Selected Grantees.

Termination

The New Share Award Scheme shall terminate on the earlier of the 10th anniversary date of the Adoption Date or such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of Selected Grantees.

Reasons for adoption of the New Share Award Scheme

The Company has recently navigated turbulent waters including (i) The Protective Shield Proceedings (the “PSP”), which six German subsidiaries (the “**Subject Subsidiaries**”) had already entered into on 27 March 2020 and (ii) the second wave of retail restrictions imposed in several European countries starting December 2020. In view of the above, the Group accelerated its strategy of cost cutting, closure of unprofitable stores, termination of low return on investment product lines, and engaged in a series of corporate restructuring activities. The Group ensured that it would still provide sufficient incentives and resources for future developments in profitable operations such as

LETTER FROM THE BOARD

building its e-commerce platform. This development resonates with the Group's commitment to make consumers "feel good to look good". It is envisaged that digital consumption trend will continue to increase in the post-Pandemic world. Additionally, social disruption caused by the Pandemic gave the retail industry an urgent incentive to reshape its supply chain management and achieve favorable cost re-alignments. The management of the Group has been actively pursuing such opportunities.

The Company expects there is a need to attract and recruit high caliber professionals with the relevant experience or retain existing talents to plan, develop and operate a world-class digital platform so as to grasp the opportunities to boost its e-commerce business. Accordingly, the Company would need a more attractive share award scheme with wider scope of eligible participants to attract and to incentivize high caliber professionals to fuel the revitalisation of the Group. Under 2016 Share Award Scheme, the Board can only grant awarded Shares to selected employee being any employee (including without limitation any executive director) of the Company or of any subsidiary of the Company and excluded any employee who is resident in a place where the settlement of the reference amount and the award of the awarded Shares and/or the vesting and transfer of Shares pursuant to the terms of the 2016 Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Board or the trustee (as the case may be) compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such employee. Under the New Share Award Scheme, the Board is allowed to grant Awarded Shares to a wider group of people which has contributed or may contribute to the growth and the development of the Group. Please refer to the section under "Eligible Participants" for further information.

Before the termination of 2016 Share Award Scheme, the Company was able to grant 54,065,693 awarded Shares under the scheme mandate limit of 2016 Share Award Scheme. However, the Company would have to use its internal funds of HK\$41.6 million to acquire 54,065,693 awarded Shares from the market in order to grant such awarded shares under the 2016 Share Award Scheme (assuming the purchase cost is equivalent to HK\$0.77, being the closing price as at the Latest Practicable Date). The grant of each award Share under 2016 Share Award Scheme would require actual cash outflow such as the acquisition consideration, brokerage commission, Hong Kong Stock Exchange trading fee, SFC transaction levy and Stamp Duty. In addition, the Company appointed Computershare Hong Kong Investor Services Limited as the trustee of 2016 Share Award Scheme which involved additional administrative costs. Under the New Share Award Scheme, the Board shall not make any further grant of Awarded Shares which will result in the total number of Shares awarded by the Board exceeding ten (10)% of the issued share capital of the Company as at the Adoption Date, being 283,081,734 Awarded Shares as at the Latest Practicable Date. The Awarded Share would be issued to the Selected Grantee upon vesting and does not involve any acquisition cost when comparing with 2016 Share Award Scheme. Given that the Group's cash had dropped by approximately HK\$1 billion during the period from 30 June 2019 to 31 December 2020, the New Share Award Scheme can save administrative costs and transaction costs which could provide the Group more resources needed for business revival. Accordingly, the Board has terminated the 2016 Share Award Scheme on 23 April 2021 and proposed to adopt the New Share Award Scheme on the same date. The New Share Award Scheme, which complements the 2018 Share Option Scheme, is adopted to (i) recognise the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group's business; and (ii) to attract suitable personnel with relevant experience in the Group's business including but not limited to the development of the e-commerce business.

Therefore, the Directors consider that the adoption of the New Share Award Scheme and its implementation including the Specific Mandate are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

REFRESHMENT OF THE OPTION SCHEME MANDATE LIMIT OF THE 2018 SHARE OPTION SCHEME

The 2009 Share Option Scheme and the 2018 Share Option Scheme were adopted to recognise and acknowledge the contributions that the Group's employees and other selected grantees made or may have made to the Group. The 2009 Share Option Scheme was terminated on 5 December 2018. The 2018 Share Option Scheme is in force and will provide the grantees with an opportunity to have a personal stake in the Company with the view to achieving the objectives of motivating the grantees to optimise their performance efficiency for the benefit of the Company, and to attract and retain or otherwise maintain on-going relationships with the grantees whose contributions are or will be beneficial to the long-term growth of the Group.

Under the 2018 Share Option Scheme and the applicable Listing Rules, the total number of shares which may be issued upon exercise of all the options to be granted under 2018 Share Option Scheme (including the total number of the Shares issued and to be issued upon exercise of the Options granted and to be granted to any Eligible Person) and any other share option schemes of the Company shall not in aggregate exceed 188,721,156 Shares, representing 10% of the total issued Shares as at 5 December 2018, being the date of approval of the 2018 Share Option Scheme. Since the adoption of the 2018 Share Option Scheme, 21,250,000 share options were granted (after the adjustment upon the Rights Issue was 21,519,322) and out of which an aggregate of 17,101,791 share options were subsequently forfeited or lapsed. As at the Latest Practicable Date, there are a total of 4,417,531 share options granted (after the adjustment upon the Rights Issue) under the 2018 Share Option Scheme and not yet exercised and 184,303,625 share options are available for grants, representing approximately 6.51% of the issued shares of the Company as at the Latest Practicable Date.

The details of the 4,417,531 outstanding share options under the 2018 Share Option Scheme are as follows:

| Grantees | Date of grant | Share Options | Adjusted Exercise Price (HK\$ per Share) | Vesting period | | Exercise period | |
|---------------------------------|---------------|-------------------------|---|----------------|------------|-----------------|------------|
| | | | | From | To | From | To |
| <i>Employees</i> | 10/12/2019 | 3,576,097 | 1.53 | 10/12/2019 | 19/09/2022 | 19/09/2022 | 09/12/2029 |
| <i>(total 30 employees)</i> | 10/12/2019 | 315,538 | 1.53 | 10/12/2019 | 10/12/2022 | 10/12/2022 | 09/12/2029 |
| <i>Ex-employee (Note 1)</i> | 10/12/2019 | 525,896 | 1.53 | 10/12/2019 | 19/09/2022 | 19/09/2022 | 09/12/2029 |
| Total | | <u>4,417,531</u> | | | | | |

Notes:

- This ex-employee has terminated her employment with the Group but the Board resolved to exercise its discretion pursuant to the terms of the 2018 Share Option Scheme such that the share options granted to this ex-employee shall remain in effect after the termination of her employment.
- None of the above grantees are directors of the Company.

LETTER FROM THE BOARD

The Company had 4,417,531 and 25,742,627 outstanding share options granted and yet to be exercised under the 2018 Share Option Scheme and 2009 Share Option Scheme respectively. Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) assuming all outstanding share options are exercised and there is no other change to the issued share capital of the Company:

| Name of Shareholders | As at the Latest Practicable Date | | Assuming all the outstanding share options are exercised and there is no other change to the issued share capital of the Company | |
|--|--|----------------------|---|----------------------|
| | Number of Shares | Approx. % | Number of Shares | Approx. % |
| Substantial Shareholder | | | | |
| Ms. LO (Note) | 790,396,800 | 27.92 | 790,396,800 | 27.63 |
| Public Shareholders | 2,040,420,543 | 72.08 | 2,040,420,543 | 71.32 |
| Share option holders under 2018 Share Option Scheme | — | — | 4,417,531 | 0.15 |
| Share option holders under 2009 Share Option Scheme | — | — | <u>25,742,627</u> | <u>0.90</u> |
| Total | <u>2,830,817,343</u> | <u>100.00</u> | <u>2,860,977,501</u> | <u>100.00</u> |

Note: 790,396,800 Shares represent the aggregate of (i) 364,782,600 Shares held by North Point Talent Limited, and (ii) 425,614,200 Shares held by Ms. LO. As Ms. LO is the sole shareholder of North Point Talent Limited, Ms. LO is deemed to be interested in all these 364,782,600 Shares under SFO.

The total outstanding share options of 30,160,158 represents (i) 1.07% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) 1.05% of the enlarged issued share capital of the Company when all the outstanding share options are exercised and assuming there is no other change to the issued share capital of the Company. Therefore, the number of new Shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under all share option schemes of the Company does not exceed 30% and the Company fully complies with the 30% limit under Note 2 to Rule 17.03(3) of the Listing Rules.

LETTER FROM THE BOARD

Due to the completion of the Rights Issue, the total issued Shares have increased to 2,830,817,343 Shares. The Directors consider that the Company should refresh the Option Scheme Mandate Limit of the 2018 Share Option Scheme to 10% of the Company's issued Share capital as at the date of the SGM, so that the Company will have greater flexibility to

- a. recognise and acknowledge the contributions that eligible persons have (or may have) made or may make to the Group (whether directly or indirectly);
- b. attract, retain and appropriately remunerate the employees with best possible quality and other eligible persons;
- c. motivate the eligible persons to optimise their performance and efficiency for the benefit of the Group;
- d. enhance its business, employee and other relations; and/or
- e. retain maximum flexibility as to the range and nature of rewards and incentives which the Company can offer to eligible persons.

The Directors consider that the refreshment of the Option Scheme Mandate Limit is in the interests of the Company and the Shareholders as a whole.

The proposed refreshment of the Option Scheme Mandate Limit shall be conditional upon the satisfaction of the following conditions:

- (i) the passing of an ordinary resolution at the SGM to approve the refreshment of the Option Scheme Mandate Limit by the Shareholders; and
- (ii) the Listing Committee of the Stock Exchange having granted an approval for the listing of and permission to deal in the Option Shares.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Option Shares.

Assuming that no further Shares will be issued or repurchased prior to the date of the SGM approving the proposed refreshment of the Option Scheme Mandate Limit by the Shareholders, the maximum number of Option Shares which may fall to be issued upon the exercise of all share options that have been granted or may be granted by the Company under the 2018 Share Option Scheme would be 283,081,734 Shares, representing 10% of the Shares in issue as at the date of the SGM. As at the Latest Practicable Date, the Board has no present intention to grant any option before the SGM.

The options previously granted under the Share Option Schemes and any other share option schemes of the Company (including options outstanding, cancelled, lapsed or exercised in accordance with the terms thereof) shall not be counted for the purpose of calculating the Option Scheme Mandate Limit as refreshed. The number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Schemes and all other share options schemes of the Company must not, in aggregate, exceed 30% of the issued Shares from time to time. The maximum

LETTER FROM THE BOARD

number of Shares that may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Options Schemes and all other share options schemes of the Company (including the Shares that may be issued upon exercise under the refreshed Option Scheme Mandate Limit) is 313,241,892, equivalent to 9.96% of the enlarged share capital of the Company.

The table below, which is for illustration purpose only, sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) assuming all outstanding share options are exercised and there is no other change to the issued share capital of the Company; (iii) assuming all the share options under the refreshed Option Scheme Mandate Limit are granted and exercised; (iv) based on the assumption (ii) and (iii) upon satisfaction of all vesting conditions under an Award (if any) and allotment and issue of all Awarded Shares capped by the Annual Limit; and (v) based on the assumption (ii) and (iii) upon satisfaction of all vesting conditions under an Award (if any) and allotment and issue of all Awarded Shares under the New Share Award Scheme, assuming no other Shares are issued between the Latest Practicable Date and the date on which all Awarded Shares underlying the New Share Award Scheme are issued, and that no Award is granted to connected persons of the Company:

| | As at the Latest Practicable Date | | Step 1 | | Step 2 (immediately after step 1) | | Step 3 (immediately after step 2 and upon the following scenario) | | | |
|---|-----------------------------------|---------------|--|---------------|---|---------------|---|---------------|--------------------------|---------------|
| | | | Assuming all the outstanding share options are exercised and there is no other change to the issued share capital of the Company | | Assuming all the share options under the refreshed Option Scheme Mandate Limit (i.e. options carrying the rights to subscribe for 283,081,734 Shares) are granted and exercised and there is no other change to the issued share capital of the Company | | Scenario I | | Scenario II | |
| | Number of Approx. Shares | | Number of Approx. Shares | | Number of Approx. Shares | | Number of Approx. Shares | | Number of Approx. Shares | |
| | Shares | % | Shares | % | Shares | % | Shares | % | Shares | % |
| Selected Grantees | — | — | — | — | — | — | 84,924,520 | 2.63 | 283,081,734 | 8.26 |
| Holder of the options granted pursuant to the refreshed Option Scheme Mandate Limit | — | — | — | — | 283,081,734 | 9.00 | 283,081,734 | 8.77 | 283,081,734 | 8.26 |
| Previous option holders under 2018 Share Option Scheme | — | — | 4,417,531 | 0.15 | 4,417,531 | 0.14 | 4,417,531 | 0.14 | 4,417,531 | 0.13 |
| Previous option holders under 2009 Share Option Scheme | — | — | 25,742,627 | 0.90 | 25,742,627 | 0.82 | 25,742,627 | 0.80 | 25,742,627 | 0.75 |
| Substantial Shareholder: | | | | | | | | | | |
| Ms. LO | 790,396,800 | 27.92 | 790,396,800 | 27.63 | 790,396,800 | 25.14 | 790,396,800 | 24.47 | 790,396,800 | 23.06 |
| Public shareholders | <u>2,040,420,543</u> | <u>72.08</u> | <u>2,040,420,543</u> | <u>71.32</u> | <u>2,040,420,543</u> | <u>64.90</u> | <u>2,040,420,543</u> | <u>63.19</u> | <u>2,040,420,543</u> | <u>59.54</u> |
| Total | <u>2,830,817,343</u> | <u>100.00</u> | <u>2,860,977,501</u> | <u>100.00</u> | <u>3,144,059,235</u> | <u>100.00</u> | <u>3,228,983,755</u> | <u>100.00</u> | <u>3,427,140,969</u> | <u>100.00</u> |

* Assuming the three groups (i.e. existing shareholders, the option holders and the Selected Grantees) are mutually exclusive

LETTER FROM THE BOARD

The Directors noted from the above table that the possible dilution effect on Shareholders is approximately (i) 12.34% of the enlarged share capital of the Company when all the outstanding share options are exercised, all the Option Shares under the refreshed Option Scheme Mandate Limit are granted and exercised and all the Awarded Shares under the Annual Limit are issued; and (ii) 17.40% of the enlarged share capital of the Company when all the outstanding share options are exercised, all the Option Shares under the refreshed Option Scheme Mandate Limit are granted and exercised and all the Awarded Shares under the Award Scheme Mandate Limit are issued.

PROPOSED INCREASE IN AUTHORIZED SHARE CAPITAL

The existing authorized share capital of the Company is HK\$300,000,000 divided into 3,000,000,000 Shares of par value of HK\$0.10 each, among which 2,830,817,343 Shares are in issue and 169,182,657 Shares are authorized but unissued as at the Latest Practicable Date. In addition, the Company has outstanding share options granted under the Share Option Schemes of the Company and carrying rights to subscribe for an aggregate of 30,160,158 Shares as at the Latest Practicable Date.

In order to provide the Company with a flexibility for future investments and fund raising, the Board proposes to increase the authorized share capital of the Company from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$3,000,000,000 divided into 30,000,000,000 Shares (ranking pari passu with the existing Shares in all respects upon issue). The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

Immediately after the completion of the Increase of Authorized Share Capital and assuming no change in the issued share capital of the Company from the date of this announcement up to the date of the SGM, the Company will have 2,830,817,343 Shares in issue and 27,169,182,657 Shares remaining unissued.

The proposed Increase in Authorised Share Capital is subject to the approval of the Shareholders by way of an ordinary resolution at the SGM.

SPECIAL GENERAL MEETING

The SGM will be convened for the purpose of considering, and if thought fit, approving, among other things, (i) the New Share Award Scheme and its implementation including a specific mandate for the issue of Awarded Shares under the New Share Award Scheme; (ii) the refreshment of the Option Scheme Mandate Limit under the 2018 Share Option Scheme; and (iii) the Increase in Authorized Share Capital.

As at the date of this announcement, no Shareholder has a material interest in the New Share Award Scheme, the proposed refreshment of the Option Scheme Mandate Limit or the proposed Increase in Authorized Share Capital. Accordingly, no Shareholder is required to abstain from voting at the SGM.

The notice convening the SGM is set out on pages 19 to 22 of this circular.

LETTER FROM THE BOARD

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. You may also submit your form of proxy electronically by scanning the QR code or visiting the designated URL <https://spot-meeting.tricor.hk>, through using the username and password provided on the notification letter dated 15 June 2021 sent to you by the Company. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish, but in such event the form of proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The chairman of the SGM will therefore demand voting on the resolutions set out in the SGM Notice be taken by way of poll pursuant to bye-law 66 of the Company's bye-laws.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 30 June 2021 to Tuesday, 6 July 2021, both days inclusive, during which period no transfer of shares of the Company will be registered, for the purpose of ascertaining entitlement to attend the SGM. In order to qualify for attending and voting at the meeting, unregistered holders of share(s) of the Company should ensure that all share transfer documents accompanied by the relevant share certificate(s) must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Tuesday, 29 June 2021.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that (i) the adoption of the New Share Award Scheme and its implementation including the Specific Mandate; (ii) the refreshment of the Option Scheme Mandate Limit under the 2018 Share Option Scheme; and (iii) the Increase in Authorized Share Capital, to be in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the resolutions to be proposed at the SGM.

By Order of the Board
Esprit Holdings Limited
CHIU Christin Su Yi
Acting Executive Chairman

NOTICE OF SPECIAL GENERAL MEETING



ESPRIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 00330)

NOTICE IS HEREBY GIVEN THAT a special general meeting (“**SGM**”) of Esprit Holdings Limited (the “**Company**”) will be held at Salons, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Tuesday, 6 July 2021 at 2:30 p.m. for the purpose of considering and if thought fit, passing, with or without amendment, the following as resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT** the share award scheme (the “**Share Award Scheme**”) proposed by the board (“**Board**”) of directors of the Company (“**Directors**”), a copy of which is produced to this meeting marked “A” and signed by the Chairman of the meeting for the purpose of identification, be and is hereby approved and adopted and the directors of the Company be and are hereby authorized to grant the awards (“**Awards**”), and do all such acts and execute all such documents as the Directors may consider necessary or expedient in order to give full effect to the Share Award Scheme.”

2. **“THAT**
 - (a) Conditional upon resolution no. 1 above in this notice being passed at the SGM, a specific mandate (the “**Specific Mandate**”) be and is hereby given to the Directors to exercise during the Relevant Period (as defined below) all the powers of the Company to allot, issue new shares and/or otherwise deal with unissued shares in the Company (“**Shares**”) underlying any Awards granted under and pursuant to the terms of the Share Award Scheme upon fulfilment of the vesting conditions (if any) attached to such Awards and the maximum number of new Shares underlying Awards which may be granted by the Directors during the Relevant Period (as defined below) shall not exceed three per cent. (3%) of the issued share capital of the Company as at the date of passing of this resolution; and

 - (b) for the purposes of this resolution “**Relevant Period**” means the period from the passing of this resolution until the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;

 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by its bye-laws or any applicable law to be held; and

 - (iii) the revocation or variation of the approval given by this resolution by a resolution of members of the Company in general meeting.”

NOTICE OF SPECIAL GENERAL MEETING

3. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the Shares in the share capital of the Company (representing a maximum of 10% of the Shares in issue as at the date of passing of this resolution) which may be issued pursuant to the exercise of options granted under the Company’s share option scheme adopted on 5 December 2018 (the “**2018 Share Option Scheme**”), the 10% limit on grant of options under the 2018 Share Option Scheme be and is hereby refreshed provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the 2018 Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the 2018 Share Option Scheme) shall not exceed 10% of the Shares in issue as at the date of passing of this resolution (such number of Shares to be subject to adjustment in the case of any consolidation or subdivision of any of Shares into a smaller or larger number of Shares after the passing of this resolution) (the “**Refreshed Mandate Limit**”); and any Director be and is hereby authorised to do such act and execute such document to effect the Refreshed Mandate Limit.
4. “**THAT** the authorised share capital of the Company be increased from HK\$300,000,000 divided into 3,000,000,000 shares of HK\$0.10 each (the “**Shares**”) to HK\$3,000,000,000 divided into 30,000,000,000 Shares by the creation of an additional 27,000,000,000 Shares (the “**Increase in Authorised Share Capital**”), such Shares shall rank pari passu in all respects; and that any one or more of the directors or the company secretary of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/ she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Increase in Authorised Share Capital.”

By Order of the Board
Esprit Holdings Limited
CHIU Christin Su Yi
Acting Executive Chairman

Hong Kong, 15 June 2021

As at the date of this notice, the board of directors of the Company comprises the following directors:

Executive Directors:

Ms. CHIU Christin Su Yi
Mr. DALEY Mark David
Dr. WAN Yung Ting

Registered office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Independent Non-Executive Directors:

Mr. CHUNG Kwok Pan
Mr. GILES William Nicholas
Ms. LIU Hang-so
Mr. LO Kin Ching Joseph

Principal place of business in Hong Kong:
27th Floor,
China United Centre,
28 Marble Road,
North Point,
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

- (a) Given the evolving COVID-19 pandemic, in order to prevent the spreading of COVID-19 and safeguard the health and safety of the Shareholders, it is suggested that the Shareholders consider appointing the chairman of the Special General Meeting as their proxy to vote at the meeting instead of attending in person. Please refer to pages 23 and 24 of the circular of the Company dated 15 June 2021 for the precautionary measures to be implemented at the Special General Meeting by the Company against the COVID-19 pandemic to protect the attendees from the risk of infection of COVID-19.
- (b) A shareholder of the Company entitled to attend and vote at the Special General Meeting or any adjournment meeting thereof (as the case may be) is entitled to appoint one or more proxies to attend and vote in his stead. A proxy needs not be a shareholder of the Company. If more than one proxy is appointed, the appointment shall specify the number of shares of the Company in respect of which each such proxy is appointed. A form of proxy for use in connection with the Special General Meeting is enclosed with the circular to the shareholders of the Company dated 15 June 2021.
- (c) Where there are joint registered holders of any share of the Company, any one of such joint registered holders may vote at the Special General Meeting or any adjourned meeting thereof (as the case may be), either personally or by proxy, in respect of such share(s) as if he/she/it was solely entitled thereto; but if more than one of such joint registered holders, whether in person or by proxy, be present at the Special General Meeting or any adjourned meeting thereof (as the case may be), that one of the said persons so present whose name stands first on the Registers of Members of the Company in respect of such share(s) shall alone be entitled to vote in respect thereof.
- (d) In order to be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power of attorney or authority, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Special General Meeting or any adjourned meeting thereof (as the case may be). You may also submit your form of proxy electronically by scanning the QR code or visiting the designated URL <https://spot-emeeting.tricor.hk>, through using the username and password provided on the notification letter dated 15 June 2021 sent to you by the Company.
- (e) For the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the Special General Meeting, the Registers of Members of the Company will be closed as set out below:
- | | |
|--|--|
| Latest time to lodge transfer documents for registration | At 4:30 pm on Tuesday, 29 June 2021 |
| Closure of Registers of Members | Wednesday, 30 June 2021 to Tuesday, 6 July 2021 (both dates inclusive) |
| Record date | Tuesday, 6 July 2021 |
- During the above closure period, no transfer of shares of the Company will be effected. To be eligible to attend and vote at the Special General Meeting, all transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.
- (f) At the Special General Meeting, the chairman of the meeting will exercise his power under bye-law 66 of the bye-laws of the Company to put each of the resolutions set out in the notice of the Special General Meeting to be voted by way of poll. On a poll, every shareholder present in person (or in the case of a corporation by its authorized representative) or by proxy shall have one vote for every share of which he/she/it is the holder.
- (g) Upon arrival at the venue of the Special General Meeting, voting pass(es) will be given to every shareholder present in person (or in the case of a corporation by its authorized representative) or by proxy to access to the e-Meeting System voting page by scanning the QR Code provided on the voting pass and cast his/her/its vote(s) on the e-Meeting System.
- (h) Due to the evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change the meeting arrangements at short notice. Shareholders are advised to check the Company's website for further announcements and updates on the meeting arrangements that may be issued.

NOTICE OF SPECIAL GENERAL MEETING

- (i) In view of the travelling restrictions imposed by various jurisdictions including Hong Kong to prevent the spread of the COVID-19, certain Director(s) may attend the Special General Meeting through telephone/video conference or similar electronic means.
- (j) No distribution of corporate gifts and/or refreshments at the Special General Meeting.
- (k) The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.
- (l) Reference to time and dates in this notice are to Hong Kong time and dates.

PRECAUTIONARY MEASURES FOR SPECIAL GENERAL MEETING

With the ever-evolving COVID-19 pandemic and the heightened requirements for the prevention and control of its spreading, to safeguard the health and safety of Shareholders who might be attending the SGM in person, the Company will implement the following precautionary measures.

The Company does not in any way wish to diminish the opportunity available to Shareholders to exercise their rights and to vote, but is conscious of the pressing need to protect Shareholders from possible exposure to the COVID-19 pandemic. **For the health and safety of Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the Special General Meeting by appointing the chairman of the Special General Meeting as their proxy instead of attending the Special General Meeting in person.** Physical attendance is not necessary for the purpose of exercising Shareholder rights. Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the Special General Meeting or any adjournment thereof should they subsequently so wish.

The deadline to submit completed forms of proxy is 4 July 2021 at 2:30 p.m.. Completed forms of proxy must be returned to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong. The form of proxy can be downloaded from the Company's website (www.espritholdings.com) or the Stock Exchange's website (www.hkexnews.hk). You may also submit your form of proxy electronically by scanning the QR code or visiting the designated URL <https://spot-meeting.tricor.hk>, through using the username and password provided on the notification letter dated 15 June 2021 sent to you by the Company.

Non-registered Shareholders whose Shares are held through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited should consult directly with their banks or brokers or custodians (as the case may be) to assist them in the appointment of proxy.

To safeguard the health and safety of Shareholders who might be attending the Special General Meeting in person and to prevent the spreading of the COVID-19 pandemic, the Company will also implement the following precautionary measures at the Special General Meeting:

- (1) Compulsory body temperature checks will be carried out on every attendee. Any person with a body temperature above the reference range quoted by the Department of Health from time to time, or who is exhibiting flu-like symptoms may be denied entry into the venue of the Special General Meeting and be requested to leave.
- (2) Every attendee will be required to wear a surgical face mask throughout the Special General Meeting (including queuing for registration) and sit at a distance from other attendees. Please note that no masks will be provided at the venue of the Special General Meeting and attendees should wear their own masks.
- (3) Every attendee will be required to submit a completed health declaration form prior to entry into the venue of the Special General Meeting. Please complete and sign the health declaration form such that it is ready for collection at the main entrance of the venue of the Special General Meeting to facilitate prompt and smooth processing.
- (4) The Company may limit the number of attendees at the Special General Meeting as may be necessary in order to maintain appropriate distancing and spacing in compliance with the guidance issued by Hong Kong Government from time to time.

PRECAUTIONARY MEASURES FOR SPECIAL GENERAL MEETING

(5) No distribution of corporate gifts and/or refreshments at the Special General Meeting.

(6) No eating and/or drinking at the Special General Meeting.

To the extent permitted by law, the Company reserves the right to deny entry into the venue of the Special General Meeting or require any person to leave the venue of the Special General Meeting so as to ensure the health and safety of the attendees at the Special General Meeting.

Due to the constantly evolving COVID-19 pandemic situation, the Company may be required to change the arrangements of the Special General Meeting at short notice. Shareholders are advised to check the Company's website for further announcements and updates on the arrangements of Special General Meeting that may be issued.

If Shareholders have any questions relating to the Special General Meeting, please contact Tricor Secretaries Limited, the Company's branch share registrar in Hong Kong, the contact details of which are as follows:

Tricor Secretaries Limited

Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong

Telephone: (852) 2980 1333 (from 9:00 a.m. to 6:00 p.m. Hong Kong time, Monday to Friday,
excluding public holidays)

Email: is-enquiries@hk.tricorglobal.com