



# GLOBAL BRANDS GROUP

*For Immediate Release*

## **Global Brands Announces FY2019 Interim Results**

### **Enters New Phase of Development with Leaner Structure and Strong Financial Position**

#### ***Highlights***

- Completed sale of select North American businesses
- Moving forward with strong balance sheet and significantly reduced working capital needs
- A leaner organizational structure focusing on core competencies
- Revenue for the first half of FY2019 down by 4.1%
- Announces divestment of Kids business in China

***Hong Kong, 28 November, 2018*** – Global Brands Group Holding Limited (“Global Brands” or the “Group”; SEHK Stock Code: 787) today announced its results for the six months ended September 30, 2018 (the “Reporting Period”) as well as update on a special cash dividend following the sale of select North American assets.

The strategic divestment, which involved select North American licensing businesses, closed on October 29, 2018 and the estimated purchase price of US\$1.2 billion in cash was received. The final purchase price will be determined after a 90-day reconciliation period from closing. The group will announce the amount of cash dividend as soon as the final purchase price has been determined, which is estimated to be about 28 HK cents per share, barring unforeseen circumstances.

At the same time, in line with its broader strategy of focusing on its core business, Global Brands has also agreed to sell its loss-making Kids business in China to the controlling shareholders for a cash consideration of US\$20 million, representing the net tangible asset value of the business as at 30 September 2018.

The Group has now entered a new phase of development, with a strengthened balance sheet and simplified organizational structure focusing on its core Fashion, Footwear, and Brand Management businesses.

“We are now a financially stronger and more nimble organization able to adapt to a rapidly changing environment,” said Dr. William Fung, Chairman of Global Brands Group Holding Limited. “Despite significant levels of disruption, both from an industry and a macroeconomic perspective, we are well-positioned to focus on growing our core businesses and take advantage of the opportunities ahead. I am very confident about the company’s prospects.”

Turning to the results for the Reporting Period, the Group’s revenue, excluding the impact of the divestment of select North American businesses, decreased by 4.1% to US\$699 million, compared to the same period last year. This was mainly due to a decrease in the China business and the disposal of the Home business.

Mr. Rick Darling, Chief Executive Officer of Global Brands Group Holding Limited, said, “The divestments we have made have significantly reduced our working capital requirements and improved our balance sheet. We are also in the midst of implementing a substantial



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restructuring program to reduce operating expenses and improve efficiencies. Going forward, we will build on the strengths of our portfolio of brands, and expand our global brand management business, particularly in Asia.”

– Ends –

*For details of Global Brands Group Holding Limited's FY2018 annual results, please refer to the announcement posted on the Stock Exchange of Hong Kong Limited website ([www.hkex.com.hk](http://www.hkex.com.hk)).*

## **About Global Brands Group Holding Limited**

Global Brands Group Holding Limited (SEHK Stock Code: 787) is one of the world's leading branded apparel and footwear companies. The Group designs, develops, markets and sells products under a diverse array of owned and licensed brands.

Global Brands' innovative design capabilities, strong brand management focus, and strategic vision enable it to create new opportunities, product categories and market expansion for brands on a global scale. In addition, the Group is the global leader in the brand management business through CAA-GBG Global Brand Management Group.

For more information, please visit the corporate website: [www.globalbrandsgroup.com](http://www.globalbrandsgroup.com).

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