GLOBAL BRANDS GROUP

Global Brands Group Holding Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 787)

(I) ANNOUNCEMENT OF RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2014;
(II) PROPOSED ADOPTION OF A SHARE AWARD SCHEME AND PROPOSED ADOPTION OF A SHARE OPTION SCHEME; AND
(III) CHANGE OF COMPANY SECRETARIES AND AUTHORISED REPRESENTATIVES

(I) ANNOUNCEMENT OF RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2014

HIGHLIGHTS

(US$ million)	**2014**	2013	Change
Turnover	**1,349**	1,330	+1.4%
Total margin	**400**	390	+2.8%
As % of turnover	***29.7%***	*29.3%*	
Core Operating Profit/(Loss)	**(63)**	(25)	
Net profit/(loss) attributable to shareholders	**(98)**	(49)	
Losses per Share – Basic	**(9.2) HK cents**	(4.5) HK cents	
(equivalent to)	**(1.17) US cents**	(0.58) US cents	
Adjusted Net Profit/(Loss)*	**(53)**	(19)	
Losses per Share – Basic	**(4.9) HK cents**	(1.8) HK cents	
(equivalent to)	**(0.63) US cents**	(0.23) US cents	

* Excluding merger and acquisition costs, non-cash items and non-operational expenses, including write back of contingent consideration payable of US$20 million, amortisation of intangible assets of US$25 million, non-cash interest expenses of US$9 million and non-operational expenses of US$31 million in 2014.

- Turnover of US$1,349 million, an increase of 1.4% compared to same period last year
- Total margin increased by 2.8% to US$400 million despite Global Brands' investments in new high-growth brands
- *Frye* continued to record tremendous growth, with turnover up 20% compared to same period last year
- Investments made in relation to acquisitions and new brands such as *Cole Haan*, *Quiksilver*, *Spyder*, *Juicy Couture* and *Aquatalia* increased operating costs by 11.8% to US$463 million
- The increased operating costs mainly due to new licenses and acquisitions contributed to a core operating loss of US$63 million
- Achieved positive operating cashflow despite incurring a core operating loss, ending the first half with a healthy net cash balance of US$163 million
- Seasonality continues to skew performance significantly towards the 2nd half of the year

We announce the unaudited consolidated profit and loss account, unaudited condensed consolidated cash flow statement and unaudited consolidated statement of changes in equity of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2014 and the consolidated balance sheet of the Group as at 30 June 2014 together with the comparative figures for 2013. The interim financial information has been reviewed by the Company's audit committee and, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), by the Company's auditor, PricewaterhouseCoopers. The auditor, based on their review, concluded that nothing has come to their attention that causes them to believe that the interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting". The auditor's independent review report will be included in the interim financial report.

CEO STATEMENT

It is my great pleasure to present Global Brands' interim report for 2014 following its successful spin-off from Li & Fung Limited and listing on the Hong Kong Stock Exchange. We have embarked on our new journey with a strong foundation and a clear strategy to drive growth. This strategy will focus on taking our brands global, exposing them to new markets and further strengthening our competitiveness in our existing markets.

As this is my first report for Global Brands, I would like to take this opportunity to briefly outline the structure of our business.

Global Brands designs, develops, markets and sells products globally across a diverse brand portfolio in two core operating segments, Licensed Brands and Controlled Brands. Within Licensed Brands, which represents the majority of our business, we sell products under fashion, entertainment characters, accessories, home and footwear brands, while Controlled Brands focuses on fashion, accessories and footwear. For our Controlled Brands, we either own the intellectual property of the brands, or control it under a long-term license, typically for a period of ten years or longer. We have a diverse portfolio of licensed and controlled brands. The way in which we have structured our portfolio ensures that we are not overly reliant on any one product, demographic or geography, and also allows us to market our products globally across multiple distribution channels targeting a wide range of retailers.

Our focus during 2013 and the first half of 2014 was on creating a unique standalone entity, while at the same time setting up Global Brands for future growth. As part of this, we brought a number of exciting new brands into our portfolio, including Cole Haan and Quiksilver within Licensed Brands, and Spyder, Juicy Couture and Aquatalia within Controlled Brands. Investments incurred as a result of these new brand additions impacted our earnings negatively in the first half, especially as their corresponding turnover will not be reflected in our results until the second half of the year and beyond.

Performance

For the first half of 2014, Group turnover increased by 1.4% to US$1,349 million, compared to US$1,330 million for the same period in 2013. The majority of the Group's turnover for the period came from the US at 81%, with Europe and Asia representing 14% and 5% respectively, as compared to 88% US, 8% Europe and 4% Asia in the first half of 2013. This shift reflects the increasing globalization and geographic diversification of our business, and is in line with our objective of decreasing our dependence on any single market.

Although the global macro-economic picture has continued to show steady improvement so far this year, the extreme winter weather in the US, our largest market, affected sales volumes in the first quarter. In addition, our business has historically been impacted in the first half due to the seasonality of the industry in which we operate, where sales volumes are typically skewed significantly towards the second half of the year for a number of reasons including the back-to-school period in late summer and holiday shopping for Thanksgiving and Christmas in late autumn/early winter.

Due to investments made in the first half in relation to acquisitions and new brands such as Cole Haan, Quiksilver, Spyder, Juicy Couture and Aquatalia, to fuel future growth, the Group's operating costs increased by 11.8% to US$463 million as compared to same period last year. This increase in operating costs weighed down our EBITDA[(1)] which was US$34 million for the first half, and was a key factor in the Group recording a core operating loss of US$63 million. Additional factors impacting our first-half results included the non-recurring expenses which we incurred in relation to the Group's spin-off and listing, as well as operating costs associated with acquisitions made in the first six months of 2014.

Turnover for Licensed Brands increased 2.0% against the same period last year to US$1,152 million, accounting for 85% of total Group turnover in the first half of 2014, while total margin for the segment increased from 29.0% to 30.1%. Our entertainment character business, which has historically contributed steady profits for the Group, continued to perform well and its overall share of our Licensed Brands business increased. This, coupled with increased sales from higher-margin footwear brands, contributed to the increase in overall margin of this segment. Operating costs for the Licensed Brands segment increased by 8.0% to US$379 million due to acquisitions and costs associated with adding new licenses, such as Cole Haan and Quiksilver into our portfolio.

Meanwhile, Controlled Brands accounted for US$196 million or 15% of Group turnover in the first half of 2014, representing a slight decrease of 1.9% as compared to the same period last year. The Frye brand continued to record tremendous growth in its primary market in the U.S., with turnover increasing by 20% as compared to the same period last year. With its heritage and high quality products, Frye is a powerful brand with immense potential, and we have plans to develop it into an exciting lifestyle brand through expansion into new product categories. Operating costs for the segment increased by 32.5% compared to the same period last year to US$84 million due to investments associated with Spyder, Juicy Couture and Aquatalia, which will contribute significantly to turnover from the second half onwards. In particular, we believe there are opportunities to expand the Spyder brand internationally into other sports and casual wear categories, as well as into product categories that cover every season. As the core wholesale licensee for Juicy Couture, designing, developing, manufacturing, advertising

[(1)] EBITDA is defined as net profit before net interest expenses, tax, depreciation and amortisation. This also excludes share of results of joint ventures, material gains or losses which are of capital nature or non-operational related, acquisition related costs and non-cash gain or loss on remeasurement of contingent consideration payable.

and selling the Juicy Couture Black Label Collection and the mid-tier collection for the international market, we expect to capitalize on the brand's global growth potential from regional expansion as well as from the development of new product lines. All of these opportunities are anticipated to considerably add to the turnover and profitability of Controlled Brands in future periods.

Prospects

Looking forward, we intend to maintain the course of our strategy to continue to build on the solid platform that we have developed, evolving our business to the next level. We anticipate considerable positive impact on the Group's sales and earnings in the coming periods from the recent additions to our licensed and controlled brands portfolio, including Cole Haan, Quiksilver, Spyder, Juicy Couture and Aquatalia, as well as from our global character licensing business. Our priorities for the remainder of 2014 and beyond will be to further build our licensed and controlled brands businesses, expand existing licensing relationships across all our product categories, and increase our penetration in new and existing markets. We are very focused on globalizing our brands and Asia will be one of the key growth markets in future.

We believe that there are further excellent opportunities for the Group in the affordable luxury sector, the area within which we primarily operate. Many brands within this sector are born in the United States, and this is true for the majority of the brands that we control or license. Many of these brands have little to no international exposure, despite their presence and success within the US. There is also the potential for some Asian brands to enter Western markets. Both of these scenarios present a clear opportunity for the Group to leverage our unique global platform.

As the world becomes a smaller place due to the ease of travel and the influence of the internet, brands have the potential for exposure to a huge and far-reaching audience. With that in mind, we believe Global Brands is extremely well-positioned to capitalize on this trend. As time progresses, our vision is to become the "go to" company for brand owners who wish to globalize their brands, while using our expertise and global platform to expand our own controlled brands portfolio.

We are excited about our journey ahead, and hold a high degree of optimism about our prospects for the future. I would like to thank all of our stakeholders for their support and look forward to demonstrating our expanding capabilities in the months to come.

Bruce Rockowitz
Chief Executive Officer & Vice Chairman

Hong Kong, 21 August 2014

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS OVERVIEW

9 July 2014 marked the beginning of a new chapter in Global Brands' development, with the Group's successful listing on the Hong Kong Stock Exchange, following its spin-off from Li & Fung Limited. As a separate entity, we can now better leverage our scale, extensive network and expertise to accelerate the growth of our business globally, with a strategic focus on building out our licensed and controlled brands businesses, expand existing licensing relationships across all our product categories and increasing our geographic and channel footprint in new and existing markets.

Our focus during 2013 and the first half of 2014 was to establish a strong foundation for Global Brands' future growth. As part of this, we added a number of exciting new brands into our portfolio, including Cole Haan and Quiksilver within Licensed Brands, and Spyder, Juicy Couture and Aquatalia within Controlled Brands. While these new brand additions impacted our earnings negatively in the first half due to investments incurred, they will considerably fuel the growth of the business as their contribution to turnover is recorded beginning in the second half of 2014.

For the six months ended 30 June 2014, the Group's turnover increased by 1.4% as compared to the same period last year to US$1,349 million. Total margin increased by 2.8% to US$400 million, growing as a percentage of turnover from 29.3% to 29.7%. Although the global macro economy continued to show steady improvement during the first six months of 2014, the extreme winter weather in the US affected sales volumes in the first quarter. In addition, the Group's business has historically been impacted in the first half due to the seasonality of the industry in which we operate, where sales volumes are typically skewed towards the second half of the year due to back-to-school sales and the holiday season. The extent of this skewing effect is expected to be greater than last year because of the investments in the new brands as mentioned above.

Due to the investments made in the first half in relation to the Group's new brands, operating costs increased by 11.8% to US$463 million. This increase in operating costs negatively impacted our EBITDA[1] which was US$34 million in the first half of 2014 as compared to US$44 million in the first half of 2013, and was also a key factor contributing to the Group's core operating loss of US$63 million for the period. Additional factors impacting our first-half results included the non-recurring expenses the Group incurred in relation to its spin-off and listing, as well as operating costs associated with the non-material acquisitions made in the first six months of 2014.

(1) EBITDA is defined as net profit before net interest expenses, tax, depreciation and amortisation. This also excludes share of results of joint ventures, material gains or losses which are of capital nature or non-operational related, acquisition related costs and non-cash gain or loss on remeasurement of contingent consideration payable.

The table below summarizes the Group's financial results for the six months ended 30 June 2014.

	1st Half 2014 US$mm	1st Half 2013 US$mm	Change	
			US$mm	%
Turnover	**1,349**	**1,330**	**19**	**1.4%**
Total Margin ***% of Turnover***	**400** **29.7%**	**390** **29.3%**	**10**	**2.8%**
Operating Costs	**(463)**	**(415)**	**48**	**11.8%**
Core Operating Profit / (Loss)	**(63)**	**(25)**	**(38)**	**N/A**
Profit / (Loss) attributable to shareholders	**(98)**	**(49)**	**(49)**	**N/A**
EBITDA(1)	**34**	**44**	**(10)**	**-23.8%**
Adjusted Net Profit / (Loss)(2)	**(53)**	**(19)**	**(34)**	**N/A**

(1) EBITDA is defined as net profit before net interest expenses, tax, depreciation and amortisation. This also excludes share of results of joint ventures, material gains or losses which are of capital nature or non-operational related, acquisition related costs and non-cash gain or loss on remeasurement of contingent consideration payable. (Remark on page 14)

(2) Adjusted Net Profit/(Loss): Excluding merger and acquisition costs, non-cash items and non-operational expenses, including write back of contingent consideration payable, amortisation of intangible assets, non-cash interest expenses and non-operational expense. (Remark on page 14)

OPERATING SEGMENTS

The Group designs, develops, markets and sells fashion and fashion accessories products globally across a diverse portfolio of brands. We operate two core segments, Licensed Brands and Controlled Brands.

Licensed Brands

The Group sells branded products under the primary categories of fashion apparel, entertainment characters, accessories, home and footwear, across a number of geographies and distribution channels. We are a market leader in the licensed brands business and have developed strong relationships with numerous licensors globally across all categories of our expertise. We are a licensee of choice for well-known brands that have built a loyal following of both fashion-conscious consumers and retailers who desire high quality, well-designed products. In an environment of rapidly changing consumer fashion trends, we benefit from a balanced mix of well-established and newer brands that enable us to drive fashion trends, capture value at every stage of the brand lifecycle and broaden our appeal among different groups of customers. Our broad portfolio of over 350 active licenses allows us to market our products across multiple channels of distribution that target a wide range of retailers, while reducing our reliance on any one demographic, product or distribution channel. In turn, this contributes to a steady generation of cash flow and sustainable growth for our business.

In late 2013, we added Cole Haan and Quiksilver to our licensed brand portfolio. After the initial start up phase in the first half of 2014, both brands will be growth drivers in our licensed brands segment.

	1st Half 2014 US$mm	**1st Half 2013 US$mm**	**Change**	
			US$mm	**%**
Turnover	**1,152**	**1,130**	**22**	**2.0%**
Total Margin	**347**	**328**	**19**	**5.8%**
% of Turnover	**30.1%**	**29.0%**		
Operating Costs	**(379)**	**(351)**	**28**	**8.0%**
Core Operating Profit / (Loss)	**(32)**	**(23)**	**(9)**	**N/A**

Total turnover for Licensed Brands increased by 2% compared to last year, with strong contribution coming from the entertainment character business. Total margin increased from 29.0% to 30.1%, as a result of the Group engaging in more entertainment character business as well as increased sales of higher-margin footwear brands. Operating costs increased by 8.0%, from US$351 million to US$379 million, due to costs associated with adding new licenses, such as Cole Haan and acquisitions. In the first half, Licensed Brands recorded a core operating loss of US$32 million.

Controlled Brands

In the Controlled Brands segment, we either own the intellectual property of the brands, or have a long-term license, which gives us significant control. The tenure of our licenses for controlled brands are typically for a period of ten years or longer.

The Group recently added Spyder, Juicy Couture and Aquatalia to its controlled brands portfolio, which is also comprised of several successful brands, including Frye. These recently added brands were not part of the Group until the second half of 2013 or the first half of 2014. Frye is more than 150 years old with a long established heritage and reputation in the US for producing quality leather products. This brand has strong appeal with fashion-conscious consumers who seek vintage classic styling, durability and quality.

With our long-term global licensing agreements for brands such as Spyder and Juicy Couture, we have significant control over development and positioning. These brands have significant name recognition with consumers globally and provide us with considerable expansion opportunities.

Spyder is a leading specialty brand for high-end skiing apparel and is widely known in the winter sports market, particularly as it has been the official supplier of uniforms for the United States Ski Team since 1989 and for the Canadian Alpine Ski Team since 2002. We believe there are significant opportunities to expand the Spyder brand internationally into new sports and casual wear categories, as well as into other all-weather product categories.

As the core wholesale licensee for Juicy Couture's Black Label Collection and its mid-tier collection for the international market, we expect to capitalize on the brand's global growth through further regional expansion and new product categories.

	1st Half 2014 US$mm	**1st Half 2013 US$mm**	**Change**	
			US$mm	**%**
Turnover	**196**	**200**	**(4)**	**-1.9%**
Total Margin	**53**	**62**	**(9)**	**-13.1%**
% of Turnover	**27.3%**	**30.8%**		
Operating Costs	**(84)**	**(64)**	**20**	**32.5%**
Core Operating Profit / (Loss)	**(31)**	**(2)**	**(29)**	**N/A**

Total turnover for Controlled Brands decreased by 1.9% compared to last year. This is not indicative of the Group's final 2014 results which will reflect the sales contribution from our new brands, Spyder, Juicy Couture and Aquatalia.

During the first half, the Frye brand continued to record tremendous growth, with turnover increasing by 20% as compared to the same period last year. Total margin for Controlled Brands decreased from 30.8% to 27.3%, due to U.S. retail sales in the first quarter affected by the extreme winter weather. Operating costs increased by 32.5%, from US$64 million for the first half of 2013 to US$84 million in the first half of 2014, due to costs associated with adding Spyder, Juicy Couture and Aquatalia into the portfolio. In the first half, Controlled Brands recorded a core operating loss of US$31 million.

GEOGRAPHICAL SEGMENTATION

For the first six months of 2014, the geographic split of Group turnover was 81% US, 14% Europe and 5% Asia, as compared to 88% US, 8% Europe and 4% Asia in the first six months of 2013. This shift reflects the increasing globalization and geographic diversification of our business and is expected to continue.

APPAREL / NON-APPAREL SEGMENTATION

For the first half of 2014, the Group's apparel business, comprising fashion and entertainment characters in the Licensed Brands segment, and Juicy Couture, Spyder, and other fashion brands in the Controlled Brands segment, represented 61% of total turnover, as compared to 56% for the first half of 2013. Meanwhile, the non-apparel business, comprising footwear and home, and accessories in the Licensed Brands segment, and fashion and accessories in the Controlled Brands segment, represented 39% of total turnover, as compared to 44% for the corresponding period in 2013.

ACQUISITIONS AND JOINT VENTURES

In the first half of 2014, the Group made two non-material acquisitions of businesses and one interests in joint venture from independent third parties in order to expand and develop our brand management business in the United States, Europe and Asia.

Name	Business	Strategic Rationale
The Licensing Company *(January 2014)*	• A licensing agent and brand management consultant for brands including Coca-Cola, Jeep, Mercedes Benz, Hershey's and Peanuts, with headquarters in the United Kingdom and offices in Europe, North America and Asia	• Provides the Group with the opportunity to continue expanding our brand management business globally
Iconix Europe *(January 2014)*	• A joint venture with Iconix Brand Group, Inc. Iconix Europe is a master licensee for brands including Candie's, Joe Boxer, Rampage, Mudd, London Fog, Mossimo, Ocean Pacific, Danskin, Rocawear, Fieldcrest, Charisma, Start and Waverly	• Provides the Group with the opportunity to continue expanding our brand management business in Europe
Cocaban *(June 2014)*	• A licensing and brand management specialist in Korea for brands including Discovery Channel, Thomas & Friends and Bob the Builder	• Provides the Group with the opportunity to continue expanding our brand management business in Asia

FINANCIAL POSITION

CASH POSITION AND CASH FLOW

The Group operates a cash accretive business, and has a proven track record utilizing its positive operating cash flow to fund working capital, interest expenses, capital expenditures and selected small-scale acquisitions. Normally when we have opportunities for large acquisitions we seek external funding sources to meet payment obligations.

SUMMARY OF CONSOLIDATED CASH FLOW STATEMENT

	1st Half 2014 US$mm	1st Half 2013 US$mm	**Change** US$mm
Cash and cash equivalents at 1 January	**115**	67	48
Net cash flow from operating activities	**23**	(122)	145
Net cash flow from investing activities	**(114)**	(156)	42
Net cash flow from financing activities	**139**	242	(103)
Effect on foreign exchange rate change	**-**	-	-
Cash and cash equivalents at 30 June	**163**	31	132

Cash flow from operating activities

In the first half of 2014, operating activities generated cash inflow of US$23 million, which was a significant improvement compared to an outflow of US$122 million in the same period of 2013. The improved positive operating cash flow was mainly the result of more effective working capital management, in particular the more favorable build of trade payables in 2014 as compared to the six-month period in 2013.

Cash flow from investing activities

Cash outflow from investing activities totalled US$114 million in 2014 as compared to US$156 million in the 2013 six-month period, mainly including US$69 million consideration payments for prior years' acquisitions in 2014 and US$118 million in 2013.

Cash flow from financing activities

During the first six months of 2014, the Group drew down US$727 million in bank borrowings mainly to repay shareholder's loan to Li & Fung Limited of US$594 million. The Group did not pay any dividend and had no other significant financing activities.

As at 30 June 2014, the Group's cash position was US$163 million, compared to US$115 million at the beginning of the year. Given our positive cash flow-generating capabilities, the Group's intention is to maintain only a reasonable cash balance to fund our seasonal working capital needs on an on-going basis.

BANKING FACILITIES

Trade finance

The significant portion of the Group's trade purchases are made through a Buying Agency Agreement with the Li & Fung Group. These purchases are conducted on open account and payment is due within 60 days of shipment. The remaining trade purchases are internally sourced and may require letters of credit issued to suppliers that will be crystallized when our suppliers have shipped the merchandise to our customers or to the Group in accordance with all the terms and conditions in the related contractual documents.

Bank loans and other facilities

The Group had available bank loans and other facilities of US$845 million, out of which US$600 million were committed facilities. As at 30 June 2014, US$727 million of the Group's bank loans were drawn down, with US$600 million being committed facilities. The unused limits on bank loans and other facilities amounted to US$50 million, with that entire amount being uncommitted facilities.

Bank Loans and Other Facilities as at 30 June 2014

	Limit US$mm	Outstanding Bank Loan US$mm	Other Facilities Utilised US$mm	Unused Limit US$mm
Committed	600	600	-	-
Uncommitted	245	127	68	50
Total	845	727	68	50

Other facilities primarily was used to collateralize standby letters of credit for real estate leases.

NET CURRENT ASSETS

As of 30 June 2014, the Group's current ratio was 1.0, based on current assets of US$1,163 million and the current liabilities of US$1,156 million, which decreased from a current ratio of 1.4 as of 31 December 2013.

CAPITAL STRUCTURE

The Group continues to manage its balance sheet and capital structure with a solid equity base, low gearing ratio, and adequate credit facilities.

The Group's total equity remained at a solid position at US$2,308 million as at 30 June 2014, compared to US$2,392 million as at 31 December 2013.

The Group's gross debt was US$727 million as at 30 June 2014, which was a significant increase from the 2013 year-end balance as the Group repaid outstanding debt to Li & Fung Limited in conjunction with the spin-off. As at 30 June 2014, the Group's gross debt was at floating rates based on LIBOR. Taking into account cash on hand, total net debt amounted to US$564 million as at 30 June 2014, resulting in a gearing ratio of 19.6%. The gearing ratio is defined as total borrowings, net of cash, divided by total net debt plus total equity.

RISK MANAGEMENT

The Group has strict policies governing accounting control, as well as credit and foreign exchange risk and treasury management.

CREDIT RISK MANAGEMENT

Credit risk mainly arises from trade and other receivables as well as cash and bank balances of the Group. Most of the Group's cash and bank balances are held in major global financial institution. The Group has stringent policies in place to manage its credit risk with such receivables, which include but are not limited to the measures set out below:

(i) The Group selects customers in a cautious manner. Its credit control team has implemented a risk assessment system to evaluate its customers' financial strengths prior to agreeing on the trade terms with individual customers. It is not uncommon for the Group to require securities (such as standby or commercial letter of credit, or bank guarantee) from a small number of its customers who fall short of the required minimum score under its Risk Assessment System;

(ii) A significant portion of trade receivable balances are covered by trade credit insurance or factored to external financial institutions on a non-recourse basis;

(iii) It has in place a new system with a dedicated team and tighten policies to ensure on-time recoveries from its trade debtors; and

(iv) It has set up rigid policies internally on provisions made for both inventories and receivables to motivate its business managers to step up their efforts in these two areas and to avoid any significant impact on their financial performance.

FOREIGN EXCHANGE RISK MANAGEMENT

Most of the Group's cash balances were deposits in Hong Kong dollars and US dollars with major global financial institutions, and most of the Group's borrowings were denominated in US dollars.

The Group's revenues and payments were transacted mainly in the same currency, predominantly in US dollars. Therefore, it considers there to be no significant risk exposure in relation to foreign exchange rate fluctuations.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

CONTINGENT CONSIDERATION

As at 30 June 2014, the Group had outstanding contingent consideration payable of US$629 million, of which US$179 million was primarily earn-out and US$450 million was earn-up. Both earn-out and earn-up are performance-based payments subject to certain pre-determined performance targets mutually agreed with the sellers in accordance with the specific sale and purchase agreement. Earn-out payments are generally payable within three to four years whereas earn-up payment with higher performance target threshold would be payable in a period of up to five to six years upon completion of a transaction. The Group follows a stringent internal financial and accounting policy in evaluating the estimated fair value of these contingent considerations, in accordance with HKFRS 3 (Revised) "Business Combination". For the six months ended 30 June 2014, there was approximately US$20 million of remeasurement gain on the outstanding contingent consideration payable.

PEOPLE

As at 30 June 2014, Global Brands had a total workforce of 2,996, out of which 464 were based in Asia, 431 based in Europe and 2,101 based in the United States. Total manpower costs for the first half of 2014 were US$179 million.

Remark:

(1) EBITDA
The following table reconciles the core operating profit/(loss) to EBITDA for the period indicated.

	1st Half 2014 US$'mm	1st Half 2013 US$'mm
Core operating profit/(loss)	(63)	(25)
Add:		
Amortisation of brand licenses	73	52
Amortisation of computer software and system development costs	2	3
Depreciation of property, plant and equipment	21	15
EBITDA	**34**	**44**

(2) Adjusted Net Profit/(Loss)
The following table reconciles profit/(loss) attributable to shareholders to adjusted net profit/(loss).

	1st Half 2014	1st Half 2013
	US$'mm	US$'mm
Profit/(Loss) attributable to shareholders	(98)	(49)
Add/(Less):		
Gain on remeasurement of contingent consideration payable	(20)	-
Amortisation of other intangible assets	25	22
Professional fee for spin-off	12	-
One-off reorganisation costs for spin-off	17	-
Other non-core operating expenses	2	-
Non-cash interest expenses	9	8
Adjusted Net Profit/(Loss)	**(53)**	**(19)**

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	Unaudited Six months ended 30 June **2014** **US$'000**	 2013 US$'000
Turnover	*3*	**1,348,883**	1,330,008
Cost of sales		**(948,548)**	(940,481)
Gross profit		**400,335**	389,527
Other income		**32**	-
Total margin		**400,367**	389,527
Selling and distribution expenses		**(228,254)**	(179,119)
Merchandising and administrative expenses		**(235,391)**	(235,764)
Core operating loss		**(63,278)**	(25,356)
Gain on remeasurement of contingent consideration payable	*4*	**19,667**	-
Amortisation of other intangible assets		**(24,650)**	(21,691)
Professional fee for spin-off		**(11,860)**	-
One-off reorganisation costs for spin-off		**(16,880)**	-
Other non-core operating expenses		**(2,001)**	-
Operating loss	*3 & 4*	**(99,002)**	(47,047)
Interest income		**29**	227
Interest expenses			
Non-cash interest expenses		**(9,465)**	(7,886)
Cash interest expenses		**(7,007)**	(4,412)
		(115,445)	(59,118)
Share of profits of joint ventures		**324**	-
Loss before taxation		**(115,121)**	(59,118)
Taxation	*5*	**16,983**	10,594
Net loss attributable to shareholders of the Company		**(98,138)**	(48,524)
Losses per share for loss attributable to the shareholders of the Company during the period	*6*		
- basic		**(9.2) HK cents**	(4.5) HK cents
(equivalent to)		**(1.17) US cents**	(0.58) US cents
- diluted		**(9.2) HK cents**	(4.5) HK cents
(equivalent to)		**(1.17) US cents**	(0.58) US cents

CONSOLIDATED BALANCE SHEET

	Note	**Unaudited 30 June 2014 US$'000**	Audited 31 December 2013 US$'000
Non-current assets			
Intangible assets		**3,417,476**	3,276,000
Property, plant and equipment		**194,950**	193,171
Joint ventures		**20,461**	14,515
Other receivables and deposits		**13,484**	9,510
Deferred tax assets		**5,778**	2,272
		3,652,149	3,495,468
Current assets			
Inventories		**583,602**	522,103
Due from related companies		**18,802**	19,196
Trade and bills receivable	*7*	**272,347**	300,844
Other receivables, prepayments and deposits		**122,368**	118,048
Derivative financial instrument		**2,664**	2,664
Cash and bank balances		**163,158**	142,869
		1,162,941	1,105,724
Current liabilities			
Due to related companies		**478,065**	270,886
Trade and bills payable	*8*	**92,918**	91,069
Accrued charges and sundry payables		**187,044**	224,122
Purchase consideration payable for acquisitions	*9*	**159,700**	187,210
Tax payable		**11,049**	8,731
Short-term bank loans		**227,454**	2,341
Bank overdrafts		**6**	27,781
		1,156,236	812,140
Net current assets		**6,705**	293,584
Total assets less current liabilities		**3,658,854**	3,789,052
Financed by:			
Share capital		**13,398**	-
Reserves		**2,294,790**	2,392,426
Total equity		**2,308,188**	2,392,426
Non-current liabilities			
Long-term bank loans		**500,000**	-
Purchase consideration payable for acquisitions	*9*	**469,145**	451,917
Other long-term liabilities	*9*	**374,140**	328,645
Due to related companies		**-**	593,821
Deferred tax liabilities		**7,381**	22,243
		1,350,666	1,396,626
		3,658,854	3,789,052

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

	Unaudited Six months ended 30 June 2014 US$'000	2013 US$'000
Operating activities		
Operating profit before working capital changes	**4,686**	48,741
Changes in working capital	**21,145**	(167,975)
Net cash inflow generated from/(outflow used in) operations	**25,831**	(119,234)
Profits tax paid	**(2,436)**	(2,297)
Net cash inflow/(outflow) from operating activities	**23,395**	(121,531)
Investing activities		
Settlement of consideration payable for prior years acquisitions of businesses	**(69,306)**	(117,720)
Acquisitions of businesses	**433**	1,845
Other investing activities	**(45,703)**	(40,513)
Net cash outflow from investing activities	**(114,576)**	(156,388)
Net cash outflow before financing activities	**(91,181)**	(277,919)
Financing activities		
Net drawdown of bank borrowing	725,113	-
Interest paid	(7,007)	(4,412)
(Decrease)/increase in amounts due to related companies	(593,821)	151,424
Capital injection	15,000	94,907
Net cash inflow from financing activities	**139,285**	241,919
Increase/(decrease) in cash and cash equivalents	**48,104**	(36,000)
Cash and cash equivalents at 1 January	115,088	67,342
Effect of foreign exchange rate changes	(40)	(17)
Cash and cash equivalents at 30 June	**163,152**	31,325
Analysis of the balances of cash and cash equivalents		
Cash and bank balances	**163,158**	53,950
Bank overdrafts	**(6)**	(22,625)
	163,152	31,325

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited					
	Attributable to shareholders of the Company					
		Reserve				
	Share capital US$'000	Capital reserves US$'000	Exchange reserves US$'000	Retained earnings US$'000	Total reserves US$'000	Total equity US$'000
Balance at 1 January 2014	-	**2,021,072**	**1,496**	**369,858**	**2,392,426**	**2,392,426**
Comprehensive expense						
Net loss	-	-	-	**(98,138)**	**(98,138)**	**(98,138)**
Other comprehensive expense						
Currency translation differences	-	-	**(1,100)**	-	**(1,100)**	**(1,100)**
Total comprehensive expense	-	-	**(1,100)**	**(98,138)**	**(99,238)**	**(99,238)**
Transactions with owners						
Share issued pursuant to Reorganisation	**13,398**	**(13,398)**	-	-	**(13,398)**	-
Capital injection	-	**15,000**	-	-	**15,000**	**15,000**
Total transactions with owners	**13,398**	**1,602**	-	-	**1,602**	**15,000**
Balance at 30 June 2014	**13,398**	**2,022,674**	**396**	**271,720**	**2,294,790**	**2,308,188**

	Unaudited					
	Attributable to shareholders of the Company					
		Reserve				
	Share capital US$'000	Capital reserves US$'000	Exchange reserves US$'000	Retained earnings US$'000	Total reserves US$'000	Total equity US$'000
Balance at 1 January 2013	-	**1,853,241**	**4,762**	**271,274**	**2,129,277**	**2,129,277**
Comprehensive expense						
Net loss	-	-	-	**(48,524)**	**(48,524)**	**(48,524)**
Other comprehensive expense						
Currency translation differences	-	-	**(2,539)**	-	**(2,539)**	**(2,539)**
Total comprehensive expense	-	-	**(2,539)**	**(48,524)**	**(51,063)**	**(51,063)**
Transactions with owners						
Capital injection	-	**94,907**	-	-	**94,907**	**94,907**
Dividend paid	-	-	-	**(10,797)**	**(10,797)**	**(10,797)**
Total transactions with owners	-	**94,907**	-	**(10,797)**	**84,110**	**84,110**
Balance at 30 June 2013	-	**1,948,148**	**2,223**	**211,953**	**2,162,324**	**2,162,324**

Selected Notes to the Condensed Interim Financial Information

1. Reorganisation

In preparation for the listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited, the Company and other companies now comprising the Group have undergone a reorganisation (the "Reorganisation") pursuant to which companies engaged in the business focuses on a portfolio of licensed brands in which the Group licenses the intellectual property from the brand owners or the licensors for use in selected product categories and geographies (the "Licensed Brands") and controlled brands in which the Group either own, or control the intellectual property under a long-term license which gives us significant control over the development and marketing associated with the relevant brands (the "Controlled Brands") to design and develop branded apparel and related products primarily for sales to retailers in the United States of America, Europe and Asia ("Listing Business") were transferred to the Company. The Reorganisation was completed on 23 June 2014. Details of the Reorganisation are set out under the section headed "History and Reorganisation" in the prospectus ("the Prospectus") of the Company dated 26 June 2014.

2. Basis of preparation

Pursuant to the Reorganisation in preparation for the Listing, the Company became the holding company of the entities now comprising the Group on 30 June 2014. The consolidated interim financial information of the Group have been prepared using the interim financial information of the businesses engaged in the Listing Business, under the common control of Li & Fung Limited and comprising the Group, as if the current group structure had been in existence throughout both periods presented, or since the respective dates of incorporation/establishment of the group companies, or since the date when the group companies first came under the control of Li & Fung Limited, whichever is a shorter period.

The unaudited condensed interim financial information (the "interim financial information") has been reviewed by the Company's audit committee and, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), by the Company's auditor, PricewaterhouseCoopers. This interim financial information for the six months ended 30 June 2014 has been prepared in accordance with HKAS 34, 'Interim financial reporting'.

2.1 Going-concern basis

The Group meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty particularly over (a) the level of demand for the Group's products; and (b) the availability of bank finance for the foreseeable future. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its interim financial information.

2.2 Accounting policies

Except as described in (a) below, the accounting policies applied are consistent with those of the as described in the Prospectus.

2. Basis of preparation (Continued)

2.2 Accounting policies (Continued)

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

(a) New standards, new interpretations and amendments to existing standards adopted by the Group

The following new standards, new interpretations and amendments to existing standards are mandatory for accounting periods beginning on or after 1 January 2014:

HKFRS 10, HKFRS 12 and HKAS 27 (2011) Amendment	Investment Entities
HKAS 32 Amendment	Offsetting Financial Assets and Financial Liabilities
HKAS 36 Amendment	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 Amendment	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC) – Int 21	Levies

The application of the above new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in the interim financial information and/or disclosures set out in the interim financial information.

(b) New standards and amendments to existing standards that have been issued but are not yet effective and have not been early adopted by the Group

The following new standards and amendments to existing standards relevant to the Group have been issued but are not effective for the accounting periods beginning 1 January 2014 and have not been early adopted:

HKAS 16 and HKAS 38 Amendment	Classification of acceptable methods of depreciation and amortization(2)
HKAS 19 (2011) Amendment	Defined benefit plans: Employee contributions(1)
HKFRS 9	Financial Instruments(4)
HKFRS 11 Amendment	Accounting for acquisitions of interests in joint operations(2)
HKFRS 14	Regulatory Deferral Accounts(2)
HKFRS 15	Revenue from contracts with customers(3)
Annual Improvements Project	Annual Improvements 2010-2012 Cycle(1)
Annual Improvements Project	Annual Improvements 2011-2013 Cycle(1)

Notes:
(1) Effective for financial periods beginning on or after 1 January 2015
(2) Effective for financial periods beginning on or after 1 January 2016
(3) Effective for financial periods beginning on or after 1 January 2017
(4) Effective date to be determined

3. Segment information

The Company is domiciled in Bermuda. The Group is principally engaged in businesses focusing on a portfolio of licensed and controlled brands to design and develop branded apparel and related products primarily for sales to retailers, mainly in the US and also in Europe and Asia. Turnover represents revenue generated from sales and services rendered at invoiced value to customers outside the Group less discounts and returns.

The Group's management (Chief Operating Decision-Maker), who is responsible for allocating resources and assessing performance of the operating segments has been identified as the executive directors that make strategic decision and consider the business principally from the perspective of two operating segments, namely Licensed Brands Segment and Controlled Brands Segment. Licensed Brands Segment principally sells products under fashion, consumer and entertainment brands which it licenses for use in selected product categories and geographies. Controlled Brands Segment sells a variety of products under brands in which the Group either owns the intellectual property or controls the intellectual property under a long-term license which gives the Group control over the development and marketing associated with the relevant brand.

The Group's management assesses the performance of the operating segments based on a measure of operating profit, referred to as core operating profit. This measurement basis includes the profit before taxation generated from the Group's licensed brands and controlled brands businesses excluding share of results of joint ventures, interest income, interest expenses, tax, material gains or losses which are of capital nature or non-operational related, acquisition related costs. This also excludes gain or loss on remeasurement of contingent consideration payable and amortisation of other intangible assets which are non-cash items. Information provided to the Group's management is measured in a manner consistent with that in the accounts.

Selected Notes to the Condensed Interim Financial Information (Continued)

3. Segment information (Continued)

	Licensed Brands US$'000	Controlled Brands US$'000	Total US$'000
Six months ended 30 June 2014 (Unaudited)			
Turnover	**1,152,483**	**196,400**	**1,348,883**
Total margin	**346,812**	**53,555**	**400,367**
Operating costs	**(379,314)**	**(84,331)**	**(463,645)**
Core operating loss	**(32,502)**	**(30,776)**	**(63,278)**
Gain on remeasurement of contingent consideration payable			**19,667**
Amortisation of other intangible assets			**(24,650)**
Professional fee for spin-off			**(11,860)**
One-off reorganisation costs for spin-off			**(16,880)**
Other non-core operating expenses			**(2,001)**
Operating loss			**(99,002)**
Interest income			**29**
Interest expenses			
Non-cash interest expenses			**(9,465)**
Cash interest expenses			**(7,007)**
			(115,445)
Share of profits of joint ventures			**324**
Loss before taxation			**(115,121)**
Taxation			**16,983**
Net loss for the period			**(98,138)**
Depreciation and amortisation	**103,982**	**17,639**	**121,621**
30 June 2014 (Unaudited)			
Non-current assets (other than deferred tax assets)	**2,856,074**	**790,297**	**3,646,371**

3. Segment information (Continued)

	Licensed Brands US$'000	Controlled Brands US$'000	Total US$'000
Six months ended 30 June 2013 (Unaudited)			
Turnover	**1,129,729**	**200,279**	**1,330,008**
Total margin	**327,915**	**61,612**	**389,527**
Operating costs	**(351,240)**	**(63,643)**	**(414,883)**
Core operating loss	**(23,325)**	**(2,031)**	**(25,356)**
Amortisation of other intangible assets			**(21,691)**
Operating loss			**(47,047)**
Interest income			**227**
Interest expenses			
Non-cash interest expenses			**(7,886)**
Cash interest expenses			**(4,412)**
Loss before taxation			**(59,118)**
Taxation			**10,594**
Net loss for the period			**(48,524)**
Depreciation and amortisation	**78,391**	**12,868**	**91,259**
31 December 2013 (Audited)			
Non-current assets (other than deferred tax assets)	**2,403,637**	**1,089,559**	**3,493,196**

3. Segment information (Continued)

The geographical analysis of turnover and non-current assets (other than deferred tax assets) is as follows:

	Turnover		Non-current assets (other than deferred tax assets)	
	Unaudited		**Unaudited**	Audited
	Six months ended 30 June		**30 June**	31 December
	2014	2013	**2014**	2013
	US$'000	US$'000	**US$'000**	US$'000
United States of America	**1,089,313**	1,175,009	**3,048,649**	3,027,948
Europe	**190,327**	105,649	**349,096**	332,876
Asia	**69,243**	49,350	**248,626**	132,372
	1,348,883	1,330,008	**3,646,371**	3,493,196

For the six months ended 30 June 2014, approximately 11.5% (2013: 12.7%) of the Group's turnover is derived from a single external customer, of which, 10.7% (2013: 11.5%) and 0.8% (2013: 1.2%) are attributable to the Licensed Brands Segment and Controlled Brands Segment respectively.

4. Operating loss

Operating loss is stated after crediting and charging the following:

	Unaudited Six months ended 30 June	
	2014	2013
	US$'000	US$'000
Crediting		
Gain on remeasurement of contingent consideration payable *	**19,667**	-
Charging		
Staff costs including directors' emoluments	**178,904**	190,065
Amortisation of brand licenses	**73,252**	51,902
Depreciation of property, plant and equipment	**21,361**	15,123
Amortisation of other intangible assets *	**24,650**	21,691
Amortisation of computer software and system development costs	**2,358**	2,543
Loss on disposal of property, plant and equipment	**1,734**	4,529

* *Included below the core operating loss*

5. Taxation

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable loss for the period. Taxation on overseas profits has been calculated on the estimated assessable loss for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged/(credited) to the consolidated profit and loss account represents:

	Unaudited Six months ended 30 June	
	2014	2013
	US$'000	US$'000
Current taxation		
- Hong Kong profits tax	**-**	133
- Overseas taxation	**909**	193
Deferred taxation	**(17,892)**	(10,920)
	(16,983)	(10,594)

6. Losses per share

The calculation of basic losses per share is based on the Group's loss attributable to shareholders of US$98,138,000 (2013: US$48,524,000) and on the weighted average number of ordinary shares in issue during the period.

The weighted average number of ordinary shares in issue during the period ended 30 June 2014 used in the basic losses per share calculation is determined on the assumption that an aggregate 8,360,398,306 shares with par value of HK$0.0125 each issued upon the Reorganisation had been in issue prior to the incorporation of the Company. The same assumption has been used for the basic losses per share calculation for the period ended 30 June 2013.

As there were no potential dilutive ordinary shares during the period ended 30 June 2014 and 2013, diluted losses per share was equal to basic losses per share.

7. Trade and bills receivable

The ageing of trade and bills receivable based on invoice date is as follows:

	Current to 90 days	**91 to 180 days**	**181 to 360 days**	**Over 360 days**	**Total**
	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 30 June 2014 (unaudited)	**213,710**	**39,417**	**18,192**	**1,028**	**272,347**
Balance at 31 December 2013 (audited)	286,865	10,699	3,179	101	300,844

All trade and bills receivable are either repayable within one year or on demand. Accordingly, the fair values of the Group's trade and bills receivable were approximately the same as their carrying values as at 30 June 2014.

A significant portion of the Group's business is conducted on open account which are often covered by credit insurance. The remaining accounts are mostly covered by customers' standby letter of credit, bank guarantees, and prepayments.

There is no concentration of credit risk with respect to trade receivables, as the majority of the balance are covered by credit insurance.

8. Trade and bills payable

The ageing of trade and bills payable based on invoice date is as follows:

	Current to 90 days US$'000	91 to 180 Days US$'000	181 to 360 days US$'000	Over 360 days US$'000	Total US$'000
Balance at 30 June 2014 (unaudited)	**86,340**	**6,226**	**49**	**303**	**92,918**
Balance at 31 December 2013 (audited)	90,222	549	180	118	91,069

The fair values of the Group's trade and bills payable were approximately the same as their carrying values as at 30 June 2014.

9. Long-term liabilities

	Unaudited 30 June 2014 US$'000	Audited 31 December 2013 US$'000
Purchase consideration payable for acquisitions	**628,845**	639,127
Brand license payable	**344,668**	290,219
Other non-current liability (non-financial liability)	**81,021**	80,215
	1,054,534	1,009,561
Current portion of purchase consideration payable for acquisitions	**(159,700)**	(187,210)
Current portion of brand license payable	**(51,549)**	(41,789)
	843,285	780,562

Purchase consideration payable for acquisitions as at 30 June 2014 of US$628,845,000 (31 December 2013: US$639,127,000) of which US$178,957,000 were primarily performance based earn-out and US$449,888,000 were earn-up. (31 December 2013: US$191,307,000 and US$447,820,000).

10. Business combinations

In January 2014, the Group acquired The Licensing Company Limited ("TLC"), a global licensing agent based in UK.

In June 2014, the Group acquired the business and assets of Cocaban Co. Ltd., a licensing brand management specialist in Korea.

The contributions of these acquisitions to the Group in this period, the contributions and the result of these acquisitions to the Group as if these acquisitions had occurred on 1 January 2014 are as follows:

	Contribution of the acquired businesses for the six months ended 30 June 2014	Contribution of the acquired businesses as if the acquisitions had occurred on 1 January 2014	Group results as if the acquisitions had occurred on 1 January 2014
	US$'000	US$'000	US$'000
Turnover	50,633	51,496	1,349,746
Core operating profit/(loss)	7,448	7,553	(63,173)
Profit/(loss) after tax	5,375	5,480	(98,122)

Details of net assets acquired, goodwill and acquisition-related costs are as follows:

	US$'000
Purchase consideration	75,074
Less: Aggregate fair value of net assets acquired *	(8,221)
Goodwill	66,853
Acquisition-related costs (included in other non-core operating expenses)	2,001

* *As at 30 June 2014, verification of individual assets/liabilities of the acquired businesses is in progress and the Group has not finalised the fair value assessments. The relevant fair value of individual assets/liabilities stated above are provisional.*

The goodwill is attributable to the acquired workforces, the profitability and the synergies expected to arise from the acquired businesses.

CORPORATE GOVERNANCE

The Board of Directors and management are committed to principles of good corporate governance consistent with prudent management and enhancement of shareholder value. These principles emphasize transparency, accountability and independence.

The role of the Group Chairman is separate from that of the Group Chief Executive Officer. This is to enhance their respective independence, accountability and responsibility.

The Board has established the following committees (all chaired by Independent Non-executive Director or Non-executive Director) with defined terms of reference (available on the Company's corporate website and the HKExnews website), which are on no less exacting terms than those set out in the Corporate Governance Code of the Listing Rules.

- Nomination Committee
- Audit Committee
- Remuneration Committee

AUDIT COMMITTEE

The primary duties of the audit committee of the Board are to oversee the financial reporting system and internal control procedures of the Company, review the financial information of the Company and consider issues relating to the external auditors and their appointment. All Committee members possess appropriate professional qualifications, accounting or related financial management expertise as required under the Listing Rules.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Since the shares of the Company was not yet listed on the Stock Exchange as at 30 June 2014, the Corporate Governance Code as set out in Appendix 14 to the Listing Rules is not applicable to the Company for the six months ending 30 June 2014. Since the Listing Date, the Company has applied the principles and complied with all the applicable code provisions set out in the Corporate Governance Code. The Board will review and monitor the practices adopted by the Company for the purpose of complying with the Corporate Governance Code and maintaining a high standard of corporate governance.

DIRECTORS' AND RELEVANT EMPLOYEES' SECURITIES TRANSACTIONS

Since the shares of the Company was not yet listed on the Stock Exchange as at 30 June 2014, the provisions under the Listing Rules in relation to the Model Code is not applicable to the Company for the six months ending 30 June 2014. Since the Listing Date, the Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding directors' securities transactions. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard set out in the Model Code regarding directors' securities transactions from the Listing Date.

Relevant employees who are likely to be in possession of unpublished price-sensitive information ("Inside Information") of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the period.

INTERIM DIVIDEND

The Board of Directors has resolved not to declare an interim dividend for the six months ended 30 June 2014.

PUBLICATION OF INTERIM REPORT

The 2014 interim report will be available on the Company's website at *www.globalbrandsgroup.com* and HKExnews website at *www.hkexnews.hk* and despatched to the shareholders on or about 11 September 2014.

(II) PROPOSED ADOPTION OF A SHARE AWARD SCHEME AND PROPOSED ADOPTION OF A SHARE OPTION SCHEME

The Board is pleased to announce that at its meeting held on 21 August 2014 it has resolved to propose the adoption of a share award scheme and a share option scheme by the Company as a means of recognising the contributions made by individuals, being employees, directors, officers, consultants or advisors of any member of the Group or any affiliate of the Group. The aim of the schemes is to encourage eligible individuals to work towards enhancing the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole. The schemes will provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to these individuals.

The share award scheme will allow the Company to grant awards to eligible individuals in the form of fully paid-up Shares. The Shares will be held on trust by a trustee for the benefit of the individuals until such date or dates stated in the vesting schedule of the awards granted to the individuals. Alternatively, the share awards issued under the scheme may be satisfied by way of the Company contributing funds to the trustee for it to acquire Shares by way of on-market purchases. The share award scheme will be subject to a limit of up to not more than 2.5% of the aggregate nominal amount of the issued share capital of the Company that may be granted and issued to eligible individuals during the life time of the scheme. The share award scheme is not a share option scheme under Chapter 17 of the Listing Rules. The mandate to issue shares for the purposes of the share award scheme would require the approval of Shareholders at a general meeting of the Company.

The share option scheme will allow the Company to grant options to eligible individuals. The options will entitle the individuals to subscribe for Shares at a predetermined price that must be no less than the higher of

a) the closing price of a Share on the grant date;
b) the average closing price of the Shares for the five business days immediately preceding the grant date; and
c) the nominal value of a Share on the grant date.

The options granted will be subject to a minimum period before they can be exercised. The share option scheme constitutes a share option scheme governed under Chapter 17 of the Listing Rules and requires the approval of the Shareholders at a general meeting of the Company.

The Company will publish a notice of a special general meeting and a circular containing further details of the share award scheme and the share option scheme in due course.

Shareholders should note that the proposed share award scheme and the proposed share option scheme are subject to, amongst others, approval by the Shareholders at a special general meeting of the Company and as such, may or may not proceed.

(III) CHANGE OF COMPANY SECRETARIES AND AUTHORISED REPRESENTATIVES

The Board announces that Mr. LEONG Kwok Yee and Ms. Terry WAN Mei Chow have resigned as the Joint Company Secretaries of the Company with effect from 21 August 2014, and Mr. Leong has resigned as Authorised Representative of the Company with effect from 21 August 2014. Mr. Leong will continue to serve as the Chief Financial Officer of the Group and Ms. Wan will continue to serve as the Company Secretary of Li & Fung Limited. Both Mr. Leong and Ms. Wan confirmed that they have no disagreement with the Board and there is nothing relating to their respective resignations that needs to be brought to the attention of The Stock Exchange of Hong Kong Limited or the shareholders of the Company.

Mr. CHEUNG Kwong Chi (who joined the Group in July 2014) has been appointed as the Company Secretary of the Company with effect from 21 August 2014. He has also been appointed Authorised Representative of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) with effect from 21 August 2014.

Mr. Cheung is an associate member of The Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators. He has more than 10 years' experience in company secretarial practice in listed companies and was the company secretary of Value Partners Group Limited (stock code: 806.HK). Mr. Cheung holds a Master degree in Professional Accounting and Information Systems from City University of Hong Kong.

By Order of the Board
William FUNG Kwok Lun
Chairman

Hong Kong, 21 August 2014

Websites: *www.globalbrandsgroup.com*
www.irasia.com/listco/hk/gbg

As of the date of this announcement, the Board comprises one Non-executive Director, namely William Fung Kwok Lun (Chairman), two Executive Directors, namely Bruce Philip Rockowitz (Chief Executive Officer & Vice Chairman) and Dow Peter Famulak (President) and five Independent Non-executive Directors, namely Paul Edward Selway-Swift, Stephen Harry Long, Hau Leung Lee, Allan Zeman and Audrey Wang Lo.