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**GLOBAL BRANDS
GROUP**

Global Brands Group Holding Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 787)

ANNOUNCEMENT AMENDED AND RESTATED NOTE PURCHASE AGREEMENT, OPTION TERMINATION AGREEMENT AND SERVICES TERMINATION AGREEMENT

The Board announces that on 21 March 2016, GBG USA, Trinity International, BHB and Heritage agreed to amend the terms of the transactions contemplated under the Original Note Purchase Agreement by entering into the Amended and Restated Note Purchase Agreement. On the same date, GBG USA also entered into the Option Termination Agreement with Heritage and the Services Termination Agreement with BHB.

The Restated GBG Note was issued by BHB to GBG USA under the Amended and Restated Note Purchase Agreement. Heritage and BHB ceased to be connected persons of the Company in January 2015 upon GBG USA's acquisition of the remaining 25% interest in MESH, LLC (resulting in MESH, LLC becoming a wholly-owned subsidiary of GBG USA). However, as Trinity International is also a party to the Amended and Restated Note Purchase Agreement, the entering into of the agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

There is no consideration payable by GBG USA to Trinity International under the Amended and Restated Note Purchase Agreement after arm's length negotiation between the parties. However, as one of the amendments made pursuant to the Amended and Restated Note Purchase Agreement was to remove the right of GBG USA to convert the Original GBG Note into common stock of BHB, the Amended and Restated Note Purchase Agreement constitutes the termination of an option for the Company. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Amended and Restated Note Purchase Agreement are more than 0.1% but all the applicable percentage ratios are less than 5%, the entering into of the Amended and Restated Note Purchase Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholder approval requirement under Chapter 14A of the Listing Rules.

Reference is made to the listing document of the Company dated 26 June 2014 and the 2014 annual report of the Company in relation to, among other things, the Original Note Purchase Agreement and the Put/Call Option Agreement entered into by GBG USA (formerly known as LF USA Inc.) prior to the listing of the Company in the Main Board of the Stock Exchange.

The Board announces that on 21 March 2016, the following agreements were entered into.

1. AMENDED AND RESTATED NOTE PURCHASE AGREEMENT

On 21 March 2016, GBG USA, Trinity International, Heritage and BHB entered into the Amended and Restated Note Purchase Agreement to amend and restate certain terms of the Original Note Purchase Agreement.

Under the Original Note Purchase Agreement, the Original GBG Note and the Original Trinity Note were issued by BHB to GBG USA and Trinity International, respectively. Pursuant to the Amended and Restated Note Purchase Agreement, the following revisions to the Original Note Purchase Agreement were made:

- (a) the Original GBG Note shall be replaced by the Restated GBG Note, which represents the outstanding aggregate principal amount of advances made by GBG USA to BHB (including accrued and unpaid interest for the year ended 31 December 2015 and outstanding payables by BHB) pursuant to the terms of the Original Note Purchase Agreement and the Original GBG Note;
- (b) the right to convert the Original GBG Note into common stock of BHB was not included in the Restated GBG Note;

- (c) the Original Trinity Note shall be replaced by the Restated Trinity Note which represents the outstanding aggregate principal amount of advances having been made by Trinity International to BHB (including accrued and unpaid interest for the year ended 31 December 2015) pursuant to the terms of the Original Note Purchase Agreement and Original Trinity Note; and
- (d) the parties agreed to waive and release GBG USA and Trinity International from their obligations to advance any additional amounts to BHB pursuant to the Original Notes or the Original Note Purchase Agreement.

The other principal terms of the Original GBG Note and the Original Trinity Note, including the maturity date, rate of interest and transferability, remain unchanged, save that future interest payments may be deferred at the option of BHB, in which case such amount of unpaid interest would be added to the principal amount outstanding under the Restated GBG Note and the Restated Trinity Note.

2. OPTION TERMINATION AGREEMENT

On 21 March 2016, GBG USA and Heritage entered into the Option Termination Agreement to terminate the Put/Call Option Agreement with immediate effect. Under the Put/Call Option Agreement, Heritage had a Put Option, over five years commencing six months after the conversion of the Original GBG Note, to require GBG USA to purchase all of its equity interest in BHB and, in the event Heritage did not exercise the Put Option, GBG USA had a Call Option, over a period of another five years after the expiration of the Put Option, to require Heritage to sell its equity interest in BHB to GBG USA.

The book value of the conversion right embedded in the Original GBG Note as set out in the 2014 annual report of the Company is US\$2,664,000 (approximately HK\$20,779,200).

3. SERVICES TERMINATION AGREEMENT

In connection with the termination of the Option Termination Agreement, GBG USA and BHB entered into the Services Termination Agreement on 21 March 2016 to terminate the existing services agreement dated 21 August 2013 with immediate effect.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

At the time of the Original Note Purchase Agreement and the grant of the Put Option and the Call Option, GBG USA and Heritage took the view that the conversion rights in the Original GBG Note and the Put Option and Call Option arrangements would incentivize the parties to maximize the development potential of the Kent & Curwen brand in the United States of America. The Board has reviewed the business model of the three-way co-operation arrangement and has determined that it is no longer in the Group's interest to pursue the opportunity to own any equity interest in BHB through the conversion rights in the Original GBG Note or under the Put/Call Option Agreement and also wish to eliminate the obligation to provide future funding to BHB or to provide back-office support services to BHB going forward. The Board has therefore determined to restate the terms of the Original GBG Note in the manner set out in the Restated GBG Note and to terminate the Put/Call Option Agreement.

The Directors, including the independent non-executive Directors, consider that the Transactions were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and are in the interests of the Company and its shareholders as a whole and that the terms of the Transactions are fair and reasonable.

Dr. William Fung Kwok Lun is also a non-executive director of Trinity and, as such, abstained from voting on the meeting of the Board for approving the Transactions. Save for this, none of the Directors has a material interest in the Transactions.

INFORMATION ABOUT THE PARTIES

The Group is principally engaged in the design, development, marketing and sale of branded apparel, footwear, fashion accessories and related lifestyle products.

BHB is a Delaware corporation incorporated in March 2013 and is a wholly-owned subsidiary of Heritage. BHB has been granted a license for its wholesale and retailing operations under the Kent & Curwen brand in Europe, North America, Central America, South America, Russia, the Commonwealth of Independent States and the Middle East. The unaudited net losses of BHB for the years ended 31 December 2014 and 31 December 2015 are US\$14,387,000 (equivalent to approximately HK\$112,219,000) and approximately US\$10,739,000 (equivalent to approximately HK\$83,764,000), respectively. The unaudited net liabilities of BHB as at 31 December 2015 amounted to approximately US\$39,538,000 (equivalent to approximately HK\$308,400,000).

Heritage is principally engaged in the ownership and operation of BHB and is wholly-owned by Star Branding, LLC. When the parties entered into the Original Note Purchase Agreement, Heritage was a connected person of the Company at the subsidiary level by virtue of Star Branding, LLC owning 25% of MESH, LLC, which was a 75% indirectly-owned subsidiary of the Company. However, in January 2015, GBG USA acquired the remaining 25% interest in MESH, LLC from Star Branding, LLC and MESH, LLC is now a wholly-owned subsidiary of GBG USA. Accordingly, Heritage and BHB ceased to be connected persons of the Company.

Trinity International is an indirect wholly-owned subsidiary of Trinity, which in turn is owned by Fung Holdings (1937) Limited as to more than 30%. Both Trinity and Trinity International are associates of Fung Holdings (1937) Limited, a company incorporated in Hong Kong and a substantial shareholder of the Company, and are therefore connected persons of the Company. Trinity International is principally engaged in investment holding and trading of garments including the retail sale of men's ready-to-wear clothing and accessories.

LISTING RULES IMPLICATIONS

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Star Branding, LLC, Heritage and BHB are independent third parties.

The Restated GBG Note was issued by BHB to GBG USA under the Amended and Restated Note Purchase Agreement. As noted above, Heritage and BHB ceased to be connected persons of the Company in January 2015 upon GBG USA's acquisition of the remaining 25% interest in MESH, LLC (resulting in MESH, LLC becoming a wholly-owned subsidiary of GBG USA). However, as Trinity International is also a party to the Amended and Restated Note Purchase Agreement, the entering into of this agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

There is no consideration payable by GBG USA to Trinity International under the Amended and Restated Note Purchase Agreement after arm's length negotiation between the parties. However, as one of the amendments made pursuant to the Amended and Restated Note Purchase Agreement was to remove the right of GBG USA to convert the Original GBG Note into common stock of BHB, the Amended and Restated Note Purchase Agreement constitutes the termination of an option for the Company. As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Amended and Restated Note Purchase Agreement are more than 0.1% but all the applicable percentage ratios are less than 5%, the entering into of the Amended and Restated Note Purchase Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholder approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Amended and Restated Note Purchase Agreement”	the amended and restated note purchase agreement dated 21 March 2016 entered into between GBG USA, Trinity International, BHB and Heritage to amend and restate certain terms of the Original Note Purchase Agreement
“associate(s)”	has the meaning ascribed to it by the Listing Rules
“BHB”	British Heritage Brands, Inc., a Delaware corporation
“Board”	the board of Directors of the Company
“Call Option”	the right and option granted by Heritage to GBG USA to acquire Heritage’s equity interest in BHB pursuant to the Put/Call Option Agreement
“Company”	Global Brands Group Holding Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (stock code: 787)
“connected person(s)”	has the meaning ascribed to it by the Listing Rules
“Directors”	the directors of the Company
“GBG USA”	GBG USA Inc., a Delaware corporation (formerly known as LF USA Inc.) and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Heritage”	Heritage Global Partners, LLC, a Delaware limited liability company and the sole shareholder of BHB
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Option Termination Agreement”	the agreement entered into between GBG USA and Heritage on 21 March 2016 terminating the Put/Call Option Agreement
“Original GBG Note”	convertible promissory note of up to US\$32,000,000 (equivalent to approximately HK\$249,600,000) issued by BHB to GBG USA pursuant to the Original Note Purchase Agreement
“Original Note Purchase Agreement”	the note purchase agreement dated 21 August 2013 entered into between GBG USA, Trinity International, BHB and Heritage relating to the sale and purchase of the Original Notes
“Original Notes”	the Original Trinity Note and the Original GBG Note
“Original Trinity Note”	a convertible promissory note of up to US\$15,000,000 (equivalent to approximately HK\$117,000,000) issued by BHB to Trinity International pursuant to the Original Note Purchase Agreement
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“Put/Call Option Agreement”	the agreement dated 21 August 2013 entered into between GBG USA and Heritage relating to the Put Option and the Call Option
“Put Option”	the right and option granted by GBG USA to Heritage to require GBG USA to purchase Heritage’s equity interest in BHB pursuant to the Put/Call Option Agreement
“Restated GBG Note”	promissory note of US\$29,200,000 (equivalent to approximately HK\$227,760,000) issued by BHB to GBG USA pursuant to the Amended and Restated Note Purchase Agreement

“Restated Trinity Note”	a convertible promissory note of US\$15,000,000 (equivalent to approximately HK\$117,000,000) issued by BHB to Trinity International pursuant to the Amended and Restated Note Purchase Agreement
“Services Termination Agreement”	the agreement entered into between GBG USA and BHB on 21 March 2016 terminating the services agreement dated 21 August 2013
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it by the Listing Rules
“Transactions”	the transactions contemplated under the Amended and Restated Note Purchase Agreement, the Option Termination Agreement and the Services Termination Agreement
“Trinity”	Trinity Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange under stock code 891
“Trinity International”	Trinity International Brands Limited, which is an indirect wholly-owned subsidiary of Trinity
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

For illustration purposes in this announcement the conversion rate of US\$1.00 = HK\$7.80 was adopted.

By order of the Board
Global Brands Group Holding Limited
William FUNG Kwok Lun
Chairman

Hong Kong, 21 March 2016

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

As at 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 Famulak (President & Chief Operating Officer) and six Independent Non-executive Directors, namely Paul Edward Selway-Swift, Stephen Harry Long, Hau Leung Lee, Allan Zeman, Audrey Wang Lo and Ann Marie Scichili.