

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Global Brands Group Holding Limited
(Incorporated in Bermuda with limited liability)
(Provisional Liquidator Appointed for Restructuring Purposes)
(Stock Code: 787)

INSOLVENCY FILING BY A GERMAN SUBSIDIARY

AND

CONTINUED SUSPENSION OF TRADING

This announcement is made by Global Brands Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) and Rule 13.25(1)(b) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

We refer to the announcement of the Company dated 1 October 2021 (the “**1 October Announcement**”) in relation to, among other things, the quarterly update on the operations of the Group’s Europe wholesale business.

INSOLVENCY FILING BY A GERMAN SUBSIDIARY

As disclosed in the 1 October Announcement:

- (i) the Group continued to operate its Europe wholesale business in the ordinary course while the operating entities were experiencing tight liquidity; and
- (ii) the Group was evaluating all restructuring options and contingency plans (including actively marketing the business to potential buyers and bankruptcy protection measures) in order to preserve value of the business, mitigate any potential losses to creditors and/or expedite the monetisation of certain assets.

The board of directors of the Company (the “**Board**”) announces that:

- (i) the directors (the “**TVME Board**”) of TVM Europe GmbH (“**TVME**”) (an indirect wholly-owned subsidiary of the Company and an operating entity under the Europe wholesale business) decided, after due and careful consideration, to apply for the opening of regular insolvency proceedings (also known as “Regelinsolvenz” under German law)(the “**Insolvency Filing**”) over the assets of TVME at the insolvency court of Düsseldorf, Germany (the “**Insolvency Court**”);
- (ii) the Board resolved, after due and careful consideration, to approve the Insolvency Filing; and
- (iii) subsequently, the TVME Board made the Insolvency Filing on 7 October 2021 (Central European Summer Time) and on 8 October 2021 (Central European Summer Time), the Insolvency Court opened preliminary insolvency proceedings in relation to TVME, during which the Insolvency Court appointed Dr. Frank Kebekus as preliminary insolvency administrator (the “**Preliminary Administrator**”) of TVME.

INFORMATION ABOUT TVME

TVME, a company incorporated in Germany with limited liability, is an indirect wholly-owned subsidiary of the Company and is primarily engaged in wholesale distribution of licensed apparel.

As the consolidated total revenue and consolidated total profits of TVME for the year ended 31 March 2020 represents more than 5% of the respective percentage ratios defined under Rule 14.04(9) of the Listing Rules, Rule 13.25(1)(b) applies to TVME according to Rule 13.25(2) of the Listing Rules.

REASONS FOR THE INSOLVENCY FILING

Despite the recent efforts undertaken by the Group with a view to overcome the tight liquidity situation of certain operating entities under the Europe wholesale business, the TVME Board reported to the Board that TVME has become cash flow insolvent. As advised by its German legal advisers, TVME is required under German law to make the Insolvency Filing in case of cash flow insolvency without undue delay and within three weeks at the latest.

EFFECTS OF THE INSOLVENCY FILING ON THE GROUP

Preliminary insolvency proceedings were opened on 8 October 2021 and the TVME Board expects regular insolvency proceedings to be opened during or before January 2022. Following the appointment of the Preliminary Administrator, the Preliminary Administrator will assess the situation of TVME and decide on the best solution to maximise recovery for TVME’s creditors as a whole.

Based on the unaudited management accounts of the Group as at 30 June 2021, the consolidated total assets and consolidated total liabilities of TVME amounted to US\$22,097,104 (approximately HK\$172,357,411) and US\$93,393,424 (HK\$728,468,707), respectively.

The Group will continue to evaluate all restructuring options and contingency plans (including actively marketing the Europe wholesale business to potential buyers and bankruptcy protection measures) in order to preserve value of the Group's business, mitigate any potential losses to creditors and/or expedite the monetisation of certain assets. The Insolvency Filing shall have no direct material adverse impact on the financial performance and the operations of the brand management business of the Group.

Further announcement(s) will be made to update the shareholders of the Company and the market on any material developments in connection with the Insolvency Filing as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 2 July 2021 and will remain suspended until further notice.

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

Hong Kong, 8 October 2021

As at the date of this announcement, the Board comprises three Executive Directors, namely William Fung Kwok Lun (Chairman), Richard Nixon Darling (Chief Executive Officer) and Patrick Ho Pak Chuen (Chief Operating Officer) and four Independent Non-executive Directors, namely Paul Edward Selway-Swift, Stephen Harry Long, Audrey Wang Lo and Ann Marie Scichili.