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TRINITY LIMITED

利邦控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 891)

CONNECTED TRANSACTION

**PURCHASE OF CONVERTIBLE PROMISSORY NOTE ISSUED BY
BRITISH HERITAGE BRANDS, INC.**

The Directors announce that on 21 August 2013, the Purchaser (which is an indirect wholly-owned subsidiary of the Company), LF USA, BHB and Heritage entered into the Note Purchase Agreement, whereby BHB sold to the Purchaser and LF USA convertible promissory notes issued by BHB in a maximum aggregate principal amount of US\$15,000,000 (approximately HK\$117,000,000) and US\$32,000,000 (approximately HK\$249,600,000), respectively.

On the basis set out below, the Transaction constitutes a connected transaction for the Company and is subject to the reporting and announcement requirements (but is exempt from the independent shareholders' approval requirement) under Chapter 14A of the Listing Rules.

NOTE PURCHASE AGREEMENT

Date

21 August 2013

Parties

- (1) The Purchaser, which is an indirect wholly-owned subsidiary of the Company
- (2) LF USA
- (3) BHB
- (4) Heritage

PRINCIPAL TERMS OF THE NOTES

Notes issued

The maximum aggregate principal amount of the Notes will be US\$47,000,000 (approximately HK\$366,600,000). The Purchaser will subscribe up to US\$15,000,000 (approximately HK\$117,000,000) and LF USA will subscribe up to US\$32,000,000 (approximately HK\$249,600,000). The payment shall be made in cash in the following manner:

- (1) on 21 August 2013, each of the Purchaser and LF USA shall have paid US\$6,750,000 (approximately HK\$52,650,000);
- (2) by 31 August 2013, each of the Purchaser and LF USA shall pay US\$3,250,000 (approximately HK\$25,350,000); and
- (3) the Purchaser and LF USA shall pay each of the following tranches (collectively the “**Subsequent Advances**”) on a 50:50 basis:

By 28 February 2014 : US\$8,000,000 (approximately HK\$62,400,000)

By 31 August 2014 : US\$8,000,000 (approximately HK\$62,400,000)

By 28 February 2015 : US\$7,000,000 (approximately HK\$54,600,000)

By 31 August 2015 : US\$4,000,000 (approximately HK\$31,200,000)

Once the Purchaser has funded US\$15,000,000 (approximately HK\$117,000,000), LF USA shall fund 100% of the remaining amount. If the Benchmark for the preceding fiscal year is not met, the Noteholder shall not have any obligation to pay for the next Subsequent Advance.

It is expected that the amount to be paid by the Purchaser will be funded by the Group’s bank borrowings.

Maturity Date

31 December 2027, provided that BHB shall have the right to prepay the Note in whole or in part following the expiry of the Conversion Period (as defined below).

Interest

The outstanding principal amount of the Notes shall bear interest accruing daily at a rate of 5% per annum, payable annually in arrears on or before 31 January of each calendar year.

Conversion

(1) At the election of the Noteholder

The Noteholder shall have the right to convert its Note (in full but not in part only) at any time during the period (the “**Conversion Period**”) commencing on the earlier of (i) the date once the Noteholder has fully funded its Note; or (ii) 1 January 2016, and ending on the day occurring 90 days following the date of delivery to the Noteholder of the annual audited financial statements of BHB for the fiscal year 2018.

If the Purchaser and LF USA have fully funded all the Subsequent Advances, the Purchaser’s Note may be converted into approximately 23.94% of BHB’s common stock, and if LF USA converts its Note, the Purchaser, together with LF USA, will hold a 75% interest in BHB.

If a Noteholder has elected not to fund any tranche of the Subsequent Advances and BHB has secured a third party lender to finance it, any non-funding Noteholder shall have the right to convert all (but not less than all) of the then outstanding principal amount balance of its Notes. If the non-funding Noteholder does not convert its Note during such period, all of the then outstanding principal amount balance and accrued interest on its Note shall be prepaid in full.

Furthermore, a Noteholder has the right to convert all (but not less than all) of the then outstanding principal amount balance of its Note upon the occurrence of certain events of default under the provisions of the Notes or an uncured breach of the provisions of the Notes or the Note Purchase Agreement.

(2) At the election of Heritage

If BHB achieves a certain specified threshold of EBTD prior to the expiration of the Conversion Period, Heritage may elect to require one or both Noteholder(s) to convert all of the then outstanding principal amount balance of its/their Note(s).

Any conversion of the Note by the Purchaser shall be conditional upon the Company obtaining all necessary approvals as may be required under the competition laws or by the Listing Rules. The relevant Noteholder shall, on the conversion of its Note, together with BHB and any other stockholders of BHB, enter into an investor rights agreement governing the management and operations of BHB and imposing certain restrictions and obligations with respect to the transfer and voting of BHB's capital stock. The Company will comply with the then applicable Listing Rules requirements if and when necessary in the event of any conversion of the Purchaser's Note.

Transferability of the Notes

Neither the Notes nor any of the rights, interests or obligations thereunder may be assigned (except to the Noteholder's affiliates) without the prior written consent of BHB.

INFORMATION ABOUT BHB

BHB is a Delaware corporation incorporated in March 2013. It is a wholly-owned subsidiary of Heritage. The predecessor of BHB was British Heritage Brands, LLC, which had been a New York limited liability company established in February 2012 and was subsequently merged into BHB. Prior to the disposal by Li & Fung Limited of its 75% interest in British Heritage Brands, LLC to Heritage on 14 August 2013, British Heritage Brands, LLC was owned as to 75% by LF USA and as to 25% by Heritage. It was initially established for potential launching of a number of licensed brands in the United States.

The unaudited net losses (both before and after tax) for the year ended 31 December 2012 and the unaudited net liabilities as at 31 December 2012 of the predecessor of BHB amounted to approximately US\$3,781,000 (approximately HK\$29,491,800) and approximately US\$3,781,000 (approximately HK\$29,491,800) respectively.

The Group granted a licence to the predecessor of BHB for its wholesale and retailing operations under the Kent & Curwen brand for BHB to grow the Kent & Curwen brand in Europe, North America, Central America, South America, Russia, the Commonwealth of Independent States and the Middle East. The Note Purchase Agreement provides that for so long as any Notes remain outstanding, BHB will not, and will not permit its subsidiaries to, engage in any business activity other than those contemplated under the said licence and similar or related businesses.

INFORMATION ABOUT THE OTHER PARTIES

The Group is principally engaged in the retailing of high-end to luxury menswear in Greater China and Europe as well as licensing of its major brands globally.

LF USA is principally engaged in distribution and wholesaling.

Heritage is principally engaged in the ownership and operation of BHB. Heritage is wholly-owned by Star Branding, LLC, which is owned by Andy Hilfiger, Tommy Hilfiger, Joe Lamasra and others. Star Branding, LLC owns 25% of MESH LLC, which is a 75%-owned subsidiary of LF USA. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as the aforesaid, BHB, Heritage and Heritage's ultimate owners are otherwise third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The investment contemplated under the Note Purchase Agreement will give the Company the opportunity to participate in the sharing of profits in two major markets, namely the United States and European markets, leveraging the strength of the support from BHB and LF USA. It is also in line with the Company's strategy of building global brands and establishing global networks.

The Directors (including the independent non-executive Directors) consider that the Note Purchase Agreement was entered into on normal commercial terms, the terms thereof were determined after arm's length negotiation among the parties thereof taking into account recent transactions of similar nature in the market, and that such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Dr Victor Fung Kwok King and Dr William Fung Kwok Lun, both being directors of FH 1937 and Li & Fung Limited, are considered to have a material interest in the Transaction by virtue of their indirect interests in LF USA, and therefore abstained from voting on the board resolution for approving the Transaction. Ms Sabrina Fung Wing Yee, being the daughter of Dr Victor Fung Kwok King, also abstained from voting on the said board resolution.

LISTING RULES IMPLICATIONS

LF USA is an indirect wholly-owned subsidiary of Li & Fung Limited, which is an associate of FH 1937. Since FH 1937 together with the FH 1937 Shareholders, own more than 30% of the issued share capital of Li & Fung Limited as at the date of this announcement, LF USA is a connected person of the Company. As a result of LF USA also being a party to the Note Purchase Agreement, Heritage and BHB would be deemed as connected persons of the Company for the Transaction, which therefore constitutes a connected transaction for the Company. Given the highest of the applicable percentage ratios is more than 0.1% but below 5%, the Transaction is subject to the reporting and announcement requirements but is exempt from the independent shareholders' 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:

“associate(s)”	has the meaning ascribed to it by the Listing Rules
“Benchmark(s)”	specified benchmark(s) on the cash flow, EBTD and net sales targets of BHB
“BHB”	British Heritage Brands, Inc., a Delaware corporation
“Board”	the board of Directors
“Company”	Trinity Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it by the Listing Rules
“controlling shareholder”	has the meaning ascribed to it by the Listing Rules
“Directors”	the directors of the Company
“EBTD”	annual earnings before deduction for the provision of income taxes and depreciation
“FH 1937”	Fung Holdings (1937) Limited, a company incorporated in Hong Kong with limited liability, which is the controlling shareholder of the Company
“FH 1937 Shareholders”	(i) King Lun Holdings Limited (which directly wholly owns FH 1937), (ii) HSBC Trustee (C.I.) Limited (as trustee of a trust established for the benefit of the family members of Dr Victor Fung Kwok King, which owns 50% of King Lun Holdings Limited) and (iii) Dr William Fung Kwok Lun who owns 50% of King Lun Holdings Limited
“Group”	the Company and its subsidiaries
“Heritage”	Heritage Global Partners, LLC, a Delaware limited liability company, being 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
“LF USA”	LF USA Inc., a Delaware corporation, which is an indirect wholly-owned subsidiary of Li & Fung Limited
“Li & Fung Limited”	Li & Fung Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Note Purchase Agreement”	the note purchase agreement dated 21 August 2013 entered into between the Purchaser, LF USA, BHB and Heritage in relation to the sale and purchase of the Notes
“Noteholder(s)”	holder(s) of the Note(s)
“Note(s)”	convertible promissory notes issued by BHB to each of the Purchaser and LF USA pursuant to the Note Purchase Agreement
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“Purchaser”	Trinity International Brands Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it by the Listing Rules
“Transaction”	the transaction contemplated under the Note Purchase Agreement
“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
WONG Yat Ming
Executive Director

Hong Kong, 21 August 2013

As at the date of this announcement, the Board comprises four executive directors, namely, Mr WONG Yat Ming, Mr Bruno LI Kwok Ho, Mr Danny LAU Sai Wing and Ms Sabrina FUNG Wing Yee; four non-executive directors, namely, Dr Victor FUNG Kwok King, GBM, GBS, CBE, Dr William FUNG Kwok Lun, SBS, OBE, JP, Mr Jose Hosea CHENG Hor Yin and Mr Jean-Marc LOUBIER; and four independent non-executive directors, namely, Mr Cassian CHEUNG Ka Sing, Mr Michael LEE Tze Hau, Ms Eva LI Kam Fun and Mr Patrick SUN.

** For identification purposes only*