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## **TRINITY LIMITED**

利邦控股有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 891)**

### **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

The Board announces that on 4 November 2014, the Company entered into the New Master Agreement with FH 1937 for a term of three years commencing on 1 January 2015 and ending on 31 December 2017 in connection with the provision of the logistics related services.

As FH 1937 is the controlling shareholder of the Company, members of FH 1937 Group (other than the Group) are connected persons of the Company. The Transactions constitute continuing connected transactions for the Company, which are subject to the reporting, announcement and annual review requirements but are exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **BACKGROUND INFORMATION**

Reference is made to the Announcement dated 25 August 2011 relating to the renewal of the Previous Master Agreement in respect of the provision of logistics related services by FH 1937 Group to the Group for a term of three years from 1 January 2012 to 31 December 2014. The Directors consider that it is in the interest of the Group to continue the procurement of such services and to enter into the New Master Agreement with FH 1937 as a framework for the provision of logistics related services, which include warehousing, transportation, freight forwarding/shipping and other value-added services, by the members of FH 1937 Group to the Group.

### **NEW MASTER AGREEMENT**

#### ***Date***

4 November 2014

#### ***Parties***

- (1) The Company
- (2) FH 1937, controlling shareholder of the Company

### ***Transaction Nature***

The Transactions are related to the provision of logistics related services, which include warehousing, transportation, freight forwarding/shipping and other value-added services, by any members of FH 1937 Group to the Group.

The Company and FH 1937 will endeavour to procure their respective members to comply with the terms of the New Master Agreement in respect of the Transactions contemplated thereunder.

### ***Term***

Three years from 1 January 2015 to 31 December 2017

### ***Pricing Basis***

The pricing of each of the Transactions will be determined by the relevant members of the FH 1937 Group and the relevant members of the Group (together, the “**Parties**”) at the time of entry into the relevant Subsequent Agreements for such Transactions based on the applicable market practices and value. In particular:

- In relation to warehousing and other value-added services, the service fee shall be determined with reference to the actual costs incurred. All the direct costs, which include direct labour costs, infrastructure and occupancy expenses, shall be charged at cost with a fixed mark-up of 10%. In determining the service fee of warehousing and other value-added services, the Group would solicit at least two other quotations from unrelated parties for services in similar scope to determine if the fees and terms offered by FH 1937 Group are fair and reasonable and comparable to those offered by unrelated third parties. The IT support, tax charges and other administrative expenses shall be reimbursed at cost.
- In relation to transportation and freight related services, the service fee shall be determined by each of the Parties with reference to the weight and type of cargo, mode of shipment, freight rate of the carrier and the service fees charged by independent third party logistics services providers. In determining the service fee of transportation and freight related services, the Group would solicit at least two other quotations from unrelated parties for services in similar scope to determine if the fees and terms offered by FH 1937 Group are fair and reasonable and comparable to those offered by unrelated third parties.

When determining the terms of the commercial Transaction(s), the Group will take into account a number of factors including but not limited to (i) price, (ii) payment and credit terms, (iii) complexity of the services, (iv) service level, (v) capacity, (vi) delivery schedule, (vii) compliance record, and (viii) quality control capability, and will benchmark these factors with independent suppliers so as to ensure that the terms offered by the FH 1937 Group are fair, reasonable and competitive.

### ***Historical Figures (2012 – 2014)***

*Caps for the financial year ended / ending :*

	2012	2013	2014
Hong Kong	HK\$600,000	HK\$600,000	HK\$600,000
Chinese Mainland	RMB16,000,000	RMB24,000,000	RMB30,000,000

*Aggregate amounts paid by the Group to FH 1937 Group for the financial year / period ended:*

	Year ended 31 December 2012	Year ended 31 December 2013	Nine months ended 30 September 2014
Hong Kong	HK\$451,200	HK\$422,400	HK\$316,800
Chinese Mainland	RMB11,081,306	RMB10,344,850	RMB8,042,595

### ***Annual Caps (2015 – 2017)***

*Annual Caps for 2015 to 2017 are as follows:*

	2015	2016	2017
Hong Kong	HK\$600,000	HK\$600,000	HK\$600,000
Chinese Mainland	RMB16,000,000	RMB24,000,000	RMB34,000,000

The above Annual Caps have been determined by projected growth of the business, extension of scope of services and cost increase.

### **REASONS AND BENEFITS OF ENTERING INTO THE TRANSACTIONS**

FH 1937 Group has been providing the logistics related services to the Group. By entering into the New Master Agreement, the Group can continue to leverage on the logistics expertise of the FH 1937 Group. In addition, given the affiliation between FH 1937 Group and the Group, FH 1937 Group has a better understanding of the Group's business needs than other alternative service providers.

The terms of the New Master Agreement were agreed upon after arm's length negotiations between the Group and FH 1937 Group. The Directors (including independent non-executive Directors) consider that the New Master Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms of the New Master Agreement and the Annual Caps are fair and reasonable and the Transactions contemplated thereunder are 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 the Company and FH 1937, are considered to have a material interest in the Transactions, and therefore abstained from voting on the board resolution of the Company for approving the Transactions. Ms Sabrina Fung Wing Yee, being a director of the Company and the daughter of Dr Victor Fung Kwok King, also abstained from voting on the said board resolution.

## INFORMATION ON THE 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 fully owned brands globally.

FH 1937 Group focuses on four main businesses – trading, logistics, distribution and retailing.

## LISTING RULES IMPLICATIONS

As FH 1937 is the controlling shareholder of the Company, members of FH 1937 Group (other than the Group) are connected persons of the Company. The Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Given that the applicable percentage ratios calculated with reference to the Annual Caps for the Transactions are more than 0.1% but less than 5%, the Transactions are therefore subject to the reporting, announcement and annual review requirements but are exempted 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:

<b>“Announcement”</b>	the announcement of the Company dated 25 August 2011 relating to the Previous Master Agreement
<b>“Annual Caps”</b>	Maximum aggregate annual value of the Transactions projected for years of 2015 to 2017 respectively
<b>“associate(s)”</b>	has the meaning ascribed to it by the Listing Rules
<b>“Board”</b>	the board of Directors
<b>“Company”</b>	Trinity Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
<b>“connected person(s)”</b>	has the meaning ascribed to it by the Listing Rules
<b>“controlling shareholder”</b>	has the meaning ascribed to it by the Listing Rules
<b>“Directors”</b>	the directors of the Company
<b>“FH 1937”</b>	Fung Holdings (1937) Limited, a company incorporated in Hong Kong with limited liability, and a controlling shareholder of the Company
<b>“FH 1937 Group”</b>	FH 1937 and its associates (including Li & Fung Limited and Global Brands Group Holding Limited and their respective subsidiaries) but excluding the Group  Li & Fung Limited and Global Brands Group Holding Limited are companies incorporated in Bermuda with limited liabilities, and their shares are listed on the Stock Exchange
<b>“Group”</b>	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Master Agreement”	the new master agreement entered into between the Company and FH 1937 on 4 November 2014 in relation to the provision of logistics related services by FH 1937 Group to the Group for a term of three years from 1 January 2015 to 31 December 2017
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“PRC”	the People’s Republic of China
“Previous Master Agreement”	the master agreement dated 25 August 2011 in respect of the provision of logistics related services by FH 1937 Group to the Group for a term of three years from 1 January 2012 to 31 December 2014, details of which were disclosed in the Announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Subsequent Agreements”	the individual agreements to be entered into between the Group and FH 1937 Group for the Transactions from time to time
“Shareholder(s)”	holder(s) of shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it by the Listing Rules
“Transactions”	the transactions contemplated under the New Master Agreement
“%”	per cent

*For illustration purposes, the translation of RMB into HK\$ is based on exchange rate of RMB1.00 to HK\$1.27.*

By Order of the Board  
**Bruno LI Kwok Ho**  
*Executive Director*

Hong Kong, 4 November 2014

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

*\* For identification purposes only*