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TRINITY LIMITED

利邦控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 891)

CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 9 November 2016, the Company entered into the New Master Agreement with FH 1937 for a term of three years commencing on 1 January 2017 and ending on 31 December 2019 in connection with the property leasing and/or licensing arrangements with the FH 1937 Group.

As FH 1937 is the controlling shareholder of the Company, members of the 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 exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the Announcement dated 19 November 2013 relating to the entering into of the Previous Master Agreement in respect of the property leasing and/or licensing arrangements between the Group and the FH 1937 Group for a term of three years from 1 January 2014 to 31 December 2016. In view of the forthcoming expiry of the Previous Master Agreement, the Directors consider that it is in the interest of the Group to continue such property leasing and/or licensing arrangements and to enter into the New Master Agreement with FH 1937 to provide a framework for such property leasing and/or licensing arrangements between the Group and the FH 1937 Group for a term of three years commencing on 1 January 2017 and ending on 31 December 2019 subject to the Annual Caps.

NEW MASTER AGREEMENT

Date

9 November 2016

Parties

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

Transaction Nature

The Transactions are related to the leasing of properties and/or the granting of the licensing right to use properties (or any part thereof) by the 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 2017 to 31 December 2019

Pricing Basis

Pursuant to the New Master Agreement, the pricing of each Transaction shall be determined by the relevant members of the FH 1937 Group and the relevant members of the Group under arm's length negotiation at the time when they enter into a Relevant Agreement with reference to the Group's specific requirements as well as the prevailing market rates and shall be determined with reference to open market rents of comparable properties. The FH 1937 Group will lease properties and/or grant licensing right to use properties (or any part thereof) to the Group at market rates or at rates no less favourable to the Group than those available to any other independent third parties. When determining the terms of the Transaction(s), the Group will also take into account a number of factors such as (i) price and the annual rental increases in the underlying lease/licensing agreements, (ii) various conditions of the premises including the location as well as the facilities and management services associated with the premises; and also will benchmark the market rental rates of other comparable properties so as to ensure that the terms offered by the FH 1937 Group are fair, reasonable and competitive.

Payment Terms

The fees paid for the lease and/or licensing arrangements will be made in cash by the Group to the FH 1937 Group.

Historical Figures (2014 – 2016)

Caps for the financial year ended/ending:

<u>Year 2014</u>	<u>Year 2015</u>	<u>Year 2016</u>
RMB3,900,000	RMB4,300,000	RMB4,700,000
(approximately HK\$5,109,000)	(approximately HK\$5,633,000)	(approximately HK\$6,157,000)

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

<u>Year ended</u> <u>31 December 2014</u>	<u>Year ended</u> <u>31 December 2015</u>	<u>Nine months ended</u> <u>30 September 2016</u>
RMB3,287,000	RMB3,567,000	RMB2,991,000
(approximately HK\$4,115,000)	(approximately HK\$4,418,000)	(approximately HK\$3,544,000)

The above paid aggregate amounts are for premises in the Chinese Mainland and Taiwan and within the respective annual caps for 2014 to 2016.

Annual Caps (2017 – 2019)

The Annual Caps of the aggregate rentals and/or licence fees payable by the Group to the FH 1937 Group for the Transactions contemplated under the New Master Agreement for the three financial years ending 31 December 2019 are set out below:

<u>Year 2017</u>	<u>Year 2018</u>	<u>Year 2019</u>
HK\$6,500,000	HK\$7,300,000	HK\$8,000,000

The above Annual Caps has been determined based on the current rentals for the properties leased or licensed to the Group from the FH 1937 Group and after taking into account the adjustment of future rentals and an estimated demand for additional space for office, warehouse or store premises, etc, to cope with the business needs of the Group for the coming three years.

REASONS AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

Given the affiliation between the Group and the FH 1937 Group, the Group has been leasing office premises and/or entering into property licensing transactions with the FH 1937 Group, and will continue to have such property leasing and/or licensing arrangements with the FH 1937 Group in view of the business needs and for administrative convenience.

The terms of the New Master Agreement were agreed upon after arm's length negotiations between the Group and the FH 1937 Group. The Directors (including the independent non-executive Directors) consider that the New Master Agreement was entered into on normal commercial terms after arm's length negotiation between the parties 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 its 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 of the Company, and therefore abstained from voting on the board resolutions for approving the New Master Agreement and the Transactions. Ms Sabrina Fung Wing Yee (a Director of the Company), being the daughter of Dr Victor Fung Kwok King, and Mr Terence Fung Yue Ming (a Director of the Company), being the son of Dr William Fung Kwok Lun, also abstained from voting on the said board resolutions for approving the New Master Agreement and the Transactions.

INFORMATION ON THE PARTIES

The Group is principally engaged in the retailing and wholesale of premium menswear in Greater China, Singapore and Europe, as well as licensing its fully owned brands globally.

FH 1937 is an investment holding company and the FH 1937 Group focuses on four main businesses, namely, trading, logistics, distribution and retailing.

LISTING RULES IMPLICATIONS

As FH 1937 is the controlling shareholder of the Company, members of the 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 highest of the applicable percentage ratios calculated with reference to the Annual Caps for the Transactions is 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:

“Announcement”	the announcement of the Company dated 19 November 2013 relating to the Previous Master Agreement
“Annual Caps”	maximum aggregate annual value of the Transactions projected for the years of 2017 to 2019 respectively
“associate(s)”	has the meaning ascribed to it by the Listing Rules
“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
“Director(s)”	the director(s) of the Company
“FH 1937”	Fung Holdings (1937) Limited, a company incorporated in Hong Kong with limited liability, and a controlling shareholder of the Company
“FH 1937 Group”	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
“Group”	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 People’s Republic of China
“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 9 November 2016 in relation to the leasing of properties and/or the granting of licensing right to use properties (or any part thereof) by the FH 1937 Group to the Group
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“Previous Master Agreement”	the master agreement dated 19 November 2013 in respect of the property leasing and/or granting of the licensing right to use properties (or any part thereof) by the FH 1937 Group to the Group for a term of three years from 1 January 2014 to 31 December 2016

“Relevant Agreement(s)”	the individual agreement(s) to be entered into between the Group and the FH 1937 Group for the Transactions from time to time
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it by the Listing Rules
“Transactions”	the leasing of properties and/or the granting of licensing right to use properties (or any part thereof) by the FH 1937 Group to the Group as contemplated under the New Master Agreement
“%”	per cent

By Order of the Board
Jeremy Paul Egerton HOBBS
Chief Executive Officer & Executive Director

Hong Kong, 9 November 2016

As at the date of this announcement, the Board comprises two executive directors, namely, Mr Jeremy Paul Egerton HOBBS and Mr Srinivasan PARTHASARATHY; six 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 Terence FUNG Yue Ming, 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*