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TRINITY LIMITED

利邦控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 891)

DISCLOSEABLE TRANSACTION

DISPOSAL OF THE 20% INTEREST IN THE SALVATORE FERRAGAMO JOINT VENTURE COMPANIES

The Board announces that on 20 December 2016, the Sellers (Trinity Luxury Brands Holdings Limited and Ferrinch (L) Limited), which are wholly-owned subsidiaries of the Company, and the Purchaser (Salvatore Ferragamo S.p.A.) entered into the Sale and Purchase Agreement, pursuant to which the Sellers sold to the Purchaser shares representing 20% of the issued share capital of each of the Ferragamo Companies at a total cash consideration of approximately US\$16.1 million (approximately HK\$125.3 million), subject to adjustments. Upon Closing, the Group ceased to have any interest in the Ferragamo Companies.

As the highest applicable percentage ratio for the Disposals under the Listing Rules is more than 5% but less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

BACKGROUND

The Ferragamo Companies are joint venture companies which were, prior to Closing, owned as to 20% by the Sellers and 80% by the Purchaser.

Salvatore Ferragamo S.p.A. is the parent company of Salvatore Ferragamo Group, one of the world's leaders in the luxury industry. The Salvatore Ferragamo Group is active in the creation, production and sale of shoes, leather goods, apparel, silk products and other accessories along with women's and men's fragrances under the Salvatore Ferragamo brand. The Ferragamo Companies are engaged in the marketing and distribution of Salvatore Ferragamo branded products.

The Board announces that on 20 December 2016, the Sellers and the Purchaser entered into the Sale and Purchase Agreement, the principal terms of which are summarised below.

SALE AND PURCHASE AGREEMENT

Date

20 December 2016

Parties

- (1) The Sellers (namely, Trinity Luxury Brands Holdings Limited and Ferrinch (L) Limited), which are wholly-owned subsidiaries of the Company
- (2) The Purchaser (namely, Salvatore Ferragamo S.p.A.)

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and any connected persons (as defined in the Listing Rules) of the Company.

Assets to be disposed of

The Sale Shares, which represent 20% of the issued share capital of each of the Ferragamo Companies. On 20 December 2012, the Sellers and the Purchaser granted to each other the Put/Call Option in respect of the 20% interests in each of the Ferragamo Companies owned by the Sellers. As a result of the Disposals, the Put/Call Option has lapsed.

Consideration

The cash consideration for the Sale Shares to be paid by the Purchaser to the Sellers at Closing is approximately US\$16.1 million (approximately HK\$125.3 million) (the “**Closing Price**”), subject to adjustments described below.

The amount of the Closing Price has been determined based on 20% of the Preliminary NDAV.

The consideration for the Sale Shares may be adjusted upwards or downwards primarily by 20% of the amount by which the Final NDAV is greater or less than the Preliminary NDAV, provided that the maximum consideration (after adjustment) payable for the Sale Shares shall be approximately US\$21.0 million (approximately HK\$163.4 million). The adjustment amount shall be paid by the Purchaser or the Sellers (as the case may be) to the other party within five business days following determination of the Final NDAV.

Closing

Closing of the Disposals took place on the date of the Sale and Purchase Agreement.

INFORMATION ABOUT THE FERRAGAMO COMPANIES

The Ferragamo Companies are engaged in the business of the retail and wholesale of the Salvatore Ferragamo branded products in the domestic market in Indonesia, Korea, Malaysia, Singapore and Thailand.

The Ferragamo Companies were accounted for as associates in the financial statements of the Company prior to Closing. Upon Closing, the Group ceased to have any interest in the Ferragamo Companies. Certain financial information of the Ferragamo Companies (at 100% level) is set out below:-

(a) Ferragamo Korea

	<u>Profits before taxation</u>	<u>Profits after taxation</u>
For the year ended 31 December 2014	HK\$62,033,000	HK\$48,588,000
For the year ended 31 December 2015	HK\$48,731,000	HK\$37,784,000
<i>Net asset value as at 31 December 2015: HK\$525,770,000</i>		

(b) Ferragamo Malaysia

	<u>Profits before taxation</u>	<u>Profits after taxation</u>
For the year ended 31 December 2014	HK\$2,672,000	HK\$581,000
For the year ended 31 December 2015	HK\$2,846,000	HK\$1,832,000
<i>Net asset value as at 31 December 2015: HK\$43,637,000</i>		

(c) Ferragamo Singapore

	<u>Losses before taxation</u>	<u>Losses after taxation</u>
For the year ended 31 December 2014	HK\$8,342,000	HK\$6,858,000
For the year ended 31 December 2015	HK\$14,918,000	HK\$14,915,000
<i>Net asset value as at 31 December 2015: HK\$41,902,000</i>		

(d) Ferragamo Thailand

	<u>Losses before taxation</u>	<u>Losses after taxation</u>
For the year ended 31 December 2014	HK\$3,394,000	HK\$3,362,000
For the year ended 31 December 2015	HK\$3,240,000	HK\$3,277,000
<i>Net asset value as at 31 December 2015: HK\$17,321,000</i>		

REASONS OF AND BENEFITS FOR THE TRANSACTIONS

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. The Disposals are in line with this strategy.

It is expected that the Disposals will generate a gain of approximately US\$2.1 million (approximately HK\$16.3 million). Such gain represents primarily 20% of the surplus, being the difference between current market value and book value, arising from revaluing a retail property owned by Ferragamo Korea against costs associated with the Disposals.

The Directors consider that the terms of the Transactions are fair and reasonable, and are in the interest of the Group and the Shareholders as a whole. The proceeds from the Disposals will be utilised as general working capital of the Group and for future business expansions and/or acquisitions.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio for the Disposals under the Listing Rules is more than 5% but less than 25%, the Disposals constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below, unless the context otherwise requires:

“Board”	the board of Directors
“Company”	Trinity Limited, a company incorporated in Bermuda whose shares are listed on the Main Board of the Stock Exchange
“Closing”	Closing of the Disposals
“Directors”	directors of the Company
“Disposals”	the sale of the Sale Shares by the Sellers to the Purchaser pursuant to the Sale and Purchase Agreement
“Ferragamo Companies”	Ferragamo Korea, Ferragamo Malaysia, Ferragamo Singapore and Ferragamo Thailand
“Ferragamo Korea”	Ferragamo Korea Limited, a company incorporated in Korea
“Ferragamo Malaysia”	Ferragamo (Malaysia) Sdn Bhd, a company incorporated in Malaysia
“Ferragamo Singapore”	Ferragamo (Singapore) Pte Ltd, a company incorporated in Singapore
“Ferragamo Thailand”	Ferragamo (Thailand) Limited, a company incorporated in Thailand
“Final NDAV”	the actual net depreciated asset value of each of the Ferragamo Companies as at 31 December 2016, the calculation of which will be based on the audited statutory financial statements of the Companies
“Greater China”	Chinese Mainland, Hong Kong, Macau and Taiwan
“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 the Securities on the Stock Exchange

“Preliminary NDAV”	the estimate of the Sellers and the Purchaser at the signing of the Sale and Purchase Agreement of the net depreciated asset value of each of the Ferragamo Companies as at 30 November 2016
“Purchaser”	Salvatore Ferragamo S.p.A., a corporation incorporated under the laws of Italy
“Put/Call Option”	the Sellers’ right to require the Purchaser to purchase, or the Purchaser’s right to require the Group to sell (as the case may be), all (but not part only) of the remaining shares held by the Group representing 20% of the issued share capital of each of the Ferragamo Companies, at a price based on the aggregate net depreciated asset value of the Ferragamo Companies as at the last day of the calendar month immediately preceding the date on which the Put/Call Option is exercised
“Sale and Purchase Agreement”	the master share purchase agreement dated 20 December 2016 entered into between the Sellers and the Purchaser in relation to the Disposals
“Sale Shares”	shares representing 20% of the issued share capital of each of the Ferragamo Companies
“Sellers”	Trinity Luxury Brands Holdings Limited and Ferrinch (L) Limited, which are wholly-owned subsidiaries of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules
“Transactions”	the transactions contemplated under the Sale and Purchase Agreement
“US\$”	US dollars(s), the lawful currency of the United States of America

For reference only, amounts in US\$ set out in this announcement has been converted into HK\$ based on an exchange rate of US\$1.00 = HK\$7.78. No representation is made that any amount in US\$ had been or could be converted at the above rates.

By Order of the Board
Victor FUNG Kwok King
Chairman

Hong Kong, 20 December 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*