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TRINITY

TRINITY LIMITED
利邦控股有限公司*
(Incorporated in Bermuda with limited liability)
(Stock Code: 891)

(1) PROPOSED SUBSCRIPTION OF SUBSCRIPTION SHARES
(2) APPLICATION FOR WHITEWASH WAIVER
(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL
AND
(4) RESUMPTION OF TRADING

THE SUBSCRIPTION

On 8 November 2017, the Company entered into the Subscription Agreement with the Subscriber and FTIL. Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, 1,846,000,000 Subscription Shares (representing (i) approximately 105.70% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 51.38% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares; and (iii) approximately 51.00% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares and assuming all the outstanding Share Options are exercised in full) at the Subscription Price of HK\$1.20 per Subscription Share.

Completion shall be conditional upon the fulfillment or, where applicable, waiver of the Conditions as described in the sub-section headed “*Conditions of the Subscription*” under the section headed “*Subscription Agreement*” in this announcement.

The Company will allot and issue the Subscription Shares under a specific mandate to be approved by the Independent Shareholders at the SGM by an ordinary resolution.

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Neither the Subscriber nor any party acting in concert with it has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company during the six months prior to the date of this announcement, and save for 21,415,633 Shares held by Renown, representing approximately 1.23% of the issued share capital of the Company as at the date of this announcement, none of them is interested in any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

WHITEWASH WAIVER

Immediately upon Completion, assuming there is no other change in the issued share capital of the Company, the Subscriber (together with parties acting in concert with it (as defined in the Takeovers Code)) will be interested in 1,867,415,633 Shares, representing approximately 106.92% of the issued share capital of the Company as at the date of this announcement and approximately 51.98% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares.

Under Rule 26.1 of the Takeovers Code, upon the allotment and issuance of the Subscription Shares at Completion (assuming there is no other change in the issued share capital of the Company), the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it, unless the Whitewash Waiver is obtained from the Executive. The Subscriber will therefore make an application to the Executive for the Whitewash Waiver in respect of the allotment and issuance of the Subscription Shares to it.

The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the SGM by way of a poll. FTIL, Renown, Dr Victor FUNG Kwok King, Dr William FUNG Kwok Lun, Ms Sabrina FUNG Wing Yee, Mr WONG Yat Ming, Mr Jeremy Paul Egerton HOBBS and Mr Srinivasan PARTHASARATHY and parties acting in concert with any of them (including Mr Terence FUNG Yue Ming) and all other Shareholders who are interested in or involved in the Subscription and the Whitewash Waiver will abstain from voting on the relevant ordinary resolutions to be proposed at the SGM to approve the Subscription and the Whitewash Waiver.

The Independent Board Committee will be formed to advise the Independent Shareholders in relation to the Subscription and the Whitewash Waiver. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard and an announcement will be made upon its appointment.

It is a condition precedent to Completion that the Whitewash Waiver is granted by the Executive. If the Whitewash Waiver is not granted by the Executive or if the conditions (if any) imposed thereon are not fulfilled, the Subscription will not proceed.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$400,000,000 divided into 4,000,000,000 Shares, of which 1,746,528,883 Shares have been allotted and issued as fully paid or credited as fully paid. In order for the Company to undertake future issuances of Shares, the Board proposes the Authorised Share Capital Increase to increase the authorised share capital of the Company to HK\$500,000,000 divided into 5,000,000,000 Shares by the creation of an additional 1,000,000,000 Shares. The proposed Authorised Share Capital Increase is subject to the approval of the Shareholders at the SGM.

GENERAL

A Circular containing, among other things, details of the Subscription, the Whitewash Waiver and the Authorised Share Capital Increase, together with the recommendation of the Independent Board Committee to the Independent Shareholders, and the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver and the notice of the SGM will be despatched to the Shareholders within 21 days from the date of this announcement and in compliance with the requirements of the Listing Rules and the Takeovers Code.

The resolutions in relation to the Subscription Agreement and the Whitewash Waiver at the SGM will be voted on by the Independent Shareholders by way of a poll.

Warning: The Subscription is subject to the fulfillment or waiver (as the case may be) of a number of Conditions set out under the section headed “Conditions of the Subscription” in this announcement, including approval by the Independent Shareholders at the SGM for the Subscription and the Whitewash Waiver, and the granting of the Whitewash Waiver by the Executive. As such, the Subscription may or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 9 November 2017 pending the release of this announcement.

Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 10 November 2017.

This announcement is made by the Company pursuant to the Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO. References are made to the announcements of the Company dated 9 October 2017 (the “**9 October Announcement**”) and 11 October 2017 respectively in relation to the Subscription.

The Board is pleased to announce that the Subscriber, FTIL and the Company have entered into the Subscription Agreement on 8 November 2017. A summary of the principal terms of the Subscription Agreement is set out below.

SUBSCRIPTION AGREEMENT

Date: 8 November 2017

Parties

- (i) The Company, as issuer;
- (ii) the Subscriber, as subscriber; and
- (iii) FTIL.

The Subscription

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, 1,846,000,000 Subscription Shares (representing (i) approximately 105.70% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 51.38% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares; and (iii) approximately 51.00% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares and assuming all the outstanding Share Options are exercised in full) at the Subscription Price of HK\$1.20 per Subscription Share.

The effect of the Subscription on the Company's shareholding structure immediately upon the allotment and issue of the Subscription Shares at Completion is set out in the section headed "*Effect of the Subscription on the shareholding structure of the Company*" in this announcement.

The Company will allot and issue the Subscription Shares under a specific mandate to be approved by the Independent Shareholders at the SGM by an ordinary resolution.

The Subscription Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with all other Shares in issue as at the date of their allotment and issue.

The aggregate amount of the consideration for the Subscription Shares is HK\$2,215,200,000, which shall be payable by the Subscriber in cash at Completion in the following manner:

- (i) a Deposit in the amount of HK\$72,000,000 having been paid by the Subscriber to the Company as a deposit shall be treated as part payment of the aggregate Subscription Price upon Completion; and
- (ii) the balance of the aggregate Subscription Price in the amount of HK\$2,143,200,000 shall be paid by the Subscriber to the Company by way of a bankers' draft drawn on a bank licensed in Hong Kong or by telegraphic transfer payable to the Company on the Completion Date.

The Subscription Price, being HK\$1.20 per Subscription Share, represents:

- (i) a premium of approximately 60.00% to the closing price of HK\$0.75 per Share as quoted on the Stock Exchange on 8 November 2017, being the Last Trading Day;
- (ii) a premium of approximately 80.72% to the average of the closing price per Share of approximately HK\$0.66 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 81.82% to the average of the closing price per Share of approximately HK\$0.66 as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 102.36% to the average of the closing prices per Share of approximately HK\$0.59 as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day;
- (v) a premium of approximately 141.85% over the average of the closing prices per Share of approximately HK\$0.50 as quoted on the Stock Exchange for the last 90 trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 22% of the audited consolidated net asset value per Share of approximately HK\$1.55 as at 31 December 2016; and
- (vii) a discount of approximately 15% of the unaudited consolidated net asset value per Share of approximately HK\$1.42 as at 30 June 2017.

The Subscription Price was arrived at after arm's length negotiations among the Company and the Subscriber, where the Company has taken into consideration the following factors:

- (i) The Directors (excluding the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver) view the Subscription as a valuable opportunity for the Group to bring in a solid strategic corporate investor, namely the Subscriber, which can contribute its resources and expertise in the textile and garment industry.
- (ii) The Company will benefit from the new business opportunities that the Subscriber may introduce to the Company, considering the Subscriber's scope of operations in the PRC and worldwide.
- (iii) Through the Subscription, the Company will raise a substantial amount of additional funds which will improve the financial position and liquidity of the Group and provide the Company with the financial flexibility necessary for the expansion of the Group's existing business and the capability to capture any prospective acquisition opportunities as and when they arise.
- (iv) The Subscriber's commitment to hold at Completion more than 51% interest in the Company on a fully enlarged basis upon the allotment and issuance of the Subscription Shares.

In light of the factors set out above, the Directors (excluding the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver) consider that the terms of the Subscription are fair and reasonable and on normal commercial terms and the entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole.

Conditions of the Subscription

Completion is conditional upon satisfaction (or, where applicable, waiver) of the following Conditions:

- (i) the obtaining of all necessary approvals by the Independent Shareholders at general meeting as required by the Listing Rules for the allotment and issue of the Subscription Shares to the Subscriber;
- (ii) the obtaining of all necessary approvals by the Independent Shareholders at general meeting as required by the Takeovers Code for the Whitewash Waiver;
- (iii) the Executive granting the Whitewash Waiver to the Subscriber and the Whitewash Waiver remaining valid;
- (iv) the Listing Committee having granted (either unconditionally or subject only to conditions to which neither the Company nor the Subscriber reasonably objects) listing of and permission to deal in the Subscription Shares;
- (v) the passing by the requisite majority of Shareholders or Independent Shareholders (as appropriate) at a general meeting of all resolutions required for the Authorised Share Capital Increase;
- (vi) (if required) the Bermuda Monetary Authority having granted consent to the Authorised Share Capital Increase and the issue of the Subscription Shares;
- (vii) there being no material breaches of any laws by any Group Company which is material in the context of the Subscription;
- (viii) the obtaining of all necessary consents required under the Facility Agreements in respect of the Subscription; and
- (ix) the Subscriber having made the PRC Overseas Investment Filings and having obtained competition law approval by the MOFCOM under the Anti-Monopoly Law of the PRC for the transactions contemplated under the Subscription Agreement.

Pursuant to the Subscription Agreement, any failure to obtain the consents from any of the banks under the Facility Agreements as referred to in the Condition set out in (viii) above shall not constitute any non-fulfillment of the Condition set out in (viii) above insofar as the aggregate Subscription Price is greater than all the outstanding loans under those Facility Agreements for which consent is not obtained. The Company is of the view that the aggregate amount of Subscription Price shall be sufficient to cover the amount of all the outstanding loans under the Facility Agreements.

The actual time needed to make the PRC Overseas Investment Filings and obtain the PRC anti-trust approval varies largely depending on location and staffing status of the relevant government authorities. Based on the Subscriber's past experience, it is estimated that the making of the PRC Overseas Investment Filings and the obtaining of the PRC anti-trust approval will take approximately three to four months. However, there is no guarantee that such filings and approvals can be made and obtained during such time frame, if at all.

Subject to the terms of the Subscription Agreement, in the event that any of the Conditions shall not have been fulfilled (or waived, if applicable) prior to 8 May 2018 (or such later date which may be agreed by the parties to the Subscription Agreement and consented to by the Executive), the Subscription Agreement shall cease to be of any effect.

The Subscriber may at any time by notice in writing to the Company waive all or any of the Conditions set out in (vii) to (ix) above. The Conditions set out in (i) to (vi) are not waivable by any party. Hence, among other things, if the Whitewash Waiver is not granted by the Executive or approved by the Independent Shareholders at the SGM, the Subscription will not proceed.

Completion

Completion will take place within the period of thirty Business Days after all of the Conditions have been fulfilled or waived, or on such other date as the parties to the Subscription Agreement may agree.

Where the Subscriber has submitted to the SFC the application for the Whitewash Waiver no later than the seventh (7th) day after the date of the Subscription Agreement but Completion does not take place due to the non-fulfillment of any of the Conditions set out in (i) to (viii) above, the Company shall refund to the Subscriber the Deposit, together with actual interest accrued thereon up to the date of receipt of the written demand by the Subscriber, within ten Business Days of the receipt of the written demand by the Subscriber.

In the event that Completion does not take place other than the reason set out in the preceding paragraph, the Deposit together with all the actual interest accrued thereon shall be absolutely forfeited (as and for liquidated damages and not as penalty) by and for the benefit of the Company without prejudice to other rights of and remedies available to the Company.

Board Composition

With effect immediately after Completion, the Company shall:

- (i) cause such persons, as the Subscriber may nominate by giving not less than three Business Days' prior written notice to the Company, to be validly appointed as Directors representing a majority of the board of Directors immediately following such appointment; and
- (ii) procure (a) FTIL and its affiliates to vote in favour of such appointment and (b) seven (7) existing Directors to resign as Directors with effect from Completion.

Lock-up

Pursuant to the Subscription Agreement, FTIL undertakes to the Subscriber that at any time during the period commencing on the date of the Subscription Agreement, and ending on a date which is six months from the Completion Date, FTIL will not (and will procure each of Dr William FUNG Kwok Lun, Ms Sabrina FUNG Wing Yee, Step Dragon Enterprise Limited, First Island Developments Limited and Trinity Management Limited not to) sell, dispose of or offer to sell or dispose of any Shares (or securities, options or rights convertible or exchangeable into Shares).

Pursuant to the Subscription Agreement, the Subscriber undertakes to the Company and FTIL that at any time during the period commencing on the date of the Subscription Agreement, and ending on a date which is six months from the Completion Date, the Subscriber will not (and will procure each of its affiliates not to) sell, dispose of or offer to sell or dispose of any Shares (or securities, options or rights convertible or exchangeable into Shares).

Warning: The Subscription is subject to the fulfillment or waiver (as the case may be) of a number of Conditions set out under the section headed "Conditions of the Subscription" in this announcement, including approval by the Independent Shareholders at the SGM for the Subscription and the Whitewash Waiver, and the granting of the Whitewash Waiver by the Executive. As such, the Subscription may or may not proceed.

EFFECT OF THE SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (*Note 1*):

- (i) as at the date of this announcement;
- (ii) immediately upon Completion and assuming none of the outstanding Shares Options have been exercised; and
- (iii) immediately upon Completion and assuming all the outstanding Share Options have been exercised.

Name of Shareholder	(i) At the date of this announcement		(ii) Immediately upon Completion and assuming none of the outstanding Share Options have been exercised		(iii) Immediately upon Completion and assuming all the outstanding Share Options have been exercised	
	No. of Shares	Approx %	No. of Shares	Approx %	No. of Shares	Approx %
		(<i>Note 2</i>)		(<i>Note 2</i>)		(<i>Note 2</i>)
FTIL and parties acting in concert with it (<i>Notes 3, 4, 5, 6</i>)						
– FTIL (<i>Note 3a</i>)	616,413,760	35.29	616,413,760	17.16	616,413,760	17.03
– William FUNG Kwok Lun (<i>Note 4</i>)	23,570,000	1.35	23,570,000	0.66	23,570,000	0.65
– Step Dragon Enterprise Limited (<i>Note 4</i>)	14,500,000	0.83	14,500,000	0.40	14,500,000	0.40
– First Island Developments Limited (<i>Note 3b</i>)	25,244,000	1.45	25,244,000	0.70	25,244,000	0.70
– Trinity Management Limited (<i>Note 5</i>)	32,613,795	1.87	32,613,795	0.91	32,613,795	0.90
– Sabrina FUNG Wing Yee (<i>Note 6</i>)	2,800,000	0.16	2,800,000	0.08	3,800,000	0.11
Sub-total	715,141,555	40.95	715,141,555	19.91	716,141,555	19.79
Directors (other than Victor FUNG Kwok King, Sabrina FUNG Wing Yee and William FUNG Kwok Lun)						
– Terence FUNG Yue Ming	50,000	0.003	50,000	0.001	50,000	0.001
– Jeremy Paul Egerton HOBBS (<i>Note 7</i>)	5,934,500	0.34	5,934,500	0.17	7,934,500	0.22
– Srinivasan PARTHASARATHY (<i>Note 8</i>)	70,000	0.004	70,000	0.002	2,570,000	0.071
– WONG Yat Ming	50,976,563	2.92	50,976,563	1.42	50,976,563	1.41
Directors of the Company's subsidiaries (other than the Directors)	4,920,000	0.28	4,920,000	0.14	9,960,000	0.28
The Subscriber and parties acting in concert with it (<i>Note 9</i>)						
– The Subscriber (<i>Note 9</i>)	0	0.00	1,846,000,000	51.38	1,846,000,000	51.00
– Renown (<i>Note 9</i>)	21,415,633	1.23	21,415,633	0.60	21,415,633	0.59
Sub-total	21,415,633	1.23	1,867,415,633	51.98	1,867,415,633	51.60
Public Shareholders	948,020,632	54.28	948,020,632	26.39	964,300,632	26.64
Total	1,746,528,883	100.000	3,592,528,883	100.000	3,619,348,883	100.000

Notes:

1. The figures above assume that other than the Subscription Shares and the Shares which may be issued pursuant to the exercise of the Share Options, no further Shares are issued or repurchased by the Company in each case on or after the date of the Subscription Agreement, and up to the Completion Date.
2. The percentages in the table above may not aggregate to 100% due to rounding differences.
3. Each of Dr Victor FUNG Kwok King and Ms Sabrina FUNG Wing Yee (daughter of Dr Victor FUNG Kwok King and as his family member) is deemed to have interests in 641,657,760 Shares, which are held in the following manner:
 - a. 616,413,760 Shares are directly held by FTIL, an indirect wholly-owned subsidiary of King Lun Holdings Limited (“King Lun”). King Lun is owned as to 50% by HSBC Trustee (C.I.) Limited as trustee of a trust (“Trustee”) established for the benefit of the family members of Dr Victor FUNG Kwok King and as to 50% by Dr William FUNG Kwok Lun; and
 - b. 25,244,000 Shares are directly held by First Island Developments Limited, a company wholly owned by the Trustee.
4. Among a total of 654,483,760 Shares interested by Dr William FUNG Kwok Lun:
 - a. 616,413,760 Shares are under the same block of shares indirectly held by King Lun as mentioned in Note 3a above; and
 - b. 14,500,000 Shares are directly held by Step Dragon Enterprise Limited, a company beneficially owned by Dr William FUNG Kwok Lun; and 23,570,000 Shares are personally held by him.
5. 32,613,795 Shares are directly held by Trinity Management Limited, a company owned by the spouse of Dr Victor FUNG Kwok King. Therefore, Dr Victor FUNG Kwok King is deemed to be interested in these Shares. By adding up the interests mentioned in Note 3 above, Dr Victor FUNG Kwok King is deemed to be interested in an aggregate of 674,271,555 Shares.
6. Ms Sabrina FUNG Wing Yee has personal interests of 2,800,000 Shares and 1,000,000 underlying Shares deriving from Share Options. By adding up the interests mentioned in Note 3 above, Ms Sabrina FUNG Wing Yee is deemed to be interested in an aggregate of 645,457,760 Shares.
7. Among the 5,934,500 Shares interested by Mr Jeremy Paul Egerton HOBBS, 1,700,000 Shares are held by Private Investors Limited, a company ultimately owned by him and 4,234,500 Shares are held by a trust of which he is a beneficiary. He also has personal interests of 2,000,000 underlying Shares deriving from Share Options.
8. Mr Srinivasan PARTHASARATHY has personal interests of 70,000 Shares and 2,500,000 underlying Shares deriving from Share Options.
9. Renown, a company in which the Subscriber directly and indirectly through a subsidiary holds a 52.99% equity interest, is interested in 21,415,633 Shares.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this announcement, the authorised share capital of the Company is HK\$400,000,000 divided into 4,000,000,000 Shares, of which 1,746,528,883 Shares have been allotted and issued as fully paid or credited as fully paid. As at the date of this announcement, other than the said 1,746,528,883 Shares and 26,820,000 outstanding share options granted by the Company, the Company does not have any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

In order for the Company to undertake future issuances of Shares, the Board proposes to increase the authorised share capital of the Company to HK\$500,000,000 divided into 5,000,000,000 Shares by the creation of an additional 1,000,000,000 Shares (i.e. the Authorised Share Capital Increase). The proposed Authorised Share Capital Increase is subject to the approval of the Shareholders at the SGM.

Immediately after the Authorised Share Capital Increase, the authorised share capital of the Company will be HK\$500,000,000 divided into 5,000,000,000 Shares.

An ordinary resolution, to be voted by way of a poll, to approve the proposed Authorised Share Capital Increase will be proposed at the SGM. Further information about the Authorised Share Capital Increase will be included in the Circular to be issued and despatched by the Company in relation to the Subscription, the Whitewash Waiver together with the notice of the SGM.

INFORMATION ON THE GROUP

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.

INFORMATION ON THE SUBSCRIBER

The Subscriber is the holding company of one of the largest textile manufacturers in China which ranks among the Top 100 Chinese multi-national enterprises. The Ruyi Group engages predominantly in textile offerings and owns a fully-integrated value chain with operations spanning across raw materials cultivation, textiles processing, and design and sale of brands and apparel. Headquartered in Jining, Shandong, the Ruyi Group operates 13 domestic industrial parks and boasts some of the largest production lines and advanced technology in China.

The Ruyi Group also has a significant distribution and point of sales network that services a global customer base spread across six continents. In Asia Pacific alone, the group operates over 3,000 points of sale. The Ruyi Group has over 20 subsidiaries, with three listed subsidiaries in China, France and Japan respectively. Mr QIU Yafu directly holds, and exercises and controls, a 51% equity interest in the Subscriber. The Articles of Association of the Subscriber provide that resolutions are passed by the general meeting of the Subscriber by simple majority except for certain matters that statutorily require super majority votes. On this basis, Mr QIU Yafu as the direct majority shareholder of the Subscriber is able to control the Subscriber. The remaining 49% equity interests in the Subscriber are held (i) as to 15.23% by a retired ex-employee of Ruyi Group; and (ii) as to 33.77% by 47 other members of management of the Ruyi Group.

Save for 21,415,633 Shares held by Renown, representing approximately 1.23% of the issued share capital of the Company as at the date of this announcement, the Subscriber and its ultimate beneficial owners are parties independent of the Company and its connected persons.

DEALING AND INTEREST OF THE SUBSCRIBER AND PARTIES ACTING IN CONCERT WITH IT IN THE SECURITIES OF THE COMPANY

As at the date of this announcement, save for the Subscription:

- (i) save that the shareholding interests set out in the section headed “*Effect of the Subscription on the shareholding structure of the Company*” of this announcement, the Subscriber and parties acting in concert with it do not hold, control or have direction over any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (ii) the Subscriber and parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (iii) there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Subscriber, which might be material to the Subscription and the Whitewash Waiver, with any other persons;
- (iv) there is no agreement or arrangement to which the Subscriber or any party acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Subscription and the Whitewash Waiver; and
- (v) none of the Subscriber or any party acting in concert with it have received any irrevocable commitment to vote for or against the Subscription or the Whitewash Waiver.

Except for the entering into of the Subscription Agreement, none of the Subscriber and parties acting in concert with it, has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares, during the six months prior to the date of the 9 October Announcement.

Neither the Subscriber nor any party acting in concert with it has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company during the six months prior to the date of the 9 October Announcement, and save for 21,415,633 Shares held by Renown, representing approximately 1.23% of the issued share capital of the Company as at the date of this announcement, none of them is interested in any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.

FUTURE INTENTIONS OF THE SUBSCRIBER REGARDING THE GROUP

As at the date of this announcement, the Subscriber intends to continue the existing business of the Group and does not intend to introduce any major changes to the existing operation and business of the Company or dispose of any of the assets of the Group other than in the ordinary course of business. Following Completion, the Subscriber will, together with the management of the Group, conduct a further and detailed review of the operations and business strategy of the Group with a view to improving the performance of the Group and to developing a corporate strategy to broaden the income stream of the Group. Subject to the result of the review, the Subscriber will consider all possible options to improve the existing operations and business of the Group or to seek new business opportunities

to improve the Group's financial position and prospects, including possible co-operations with the Ruyi Group to leverage on its wide range of operations globally. If suitable investment or business opportunities are identified and are available to the Group, the Subscriber intends for the Company to utilise part of the net proceeds from the issuance of the Subscription Shares to fund those investments or opportunities. The Subscriber will also, together with the management of the Group, conduct a detailed review of the Group's financial position and potential improvements to its capital structure. The Subscriber may also provide further resources to support the current businesses of the Group or to fund further investments. As at the date of this announcement, no agreement, definitive proposals, terms or timetable have been reached or determined for any such possible future transaction or arrangement.

Pursuant to the Subscription Agreement, the Company will procure the appointment of candidates nominated by the Subscriber as new Directors of the Company upon Completion. Save as disclosed, as at the date of this announcement, the Subscriber has no intention to make any major changes to the continued employment of the existing employees of the Group.

REASONS FOR THE SUBSCRIPTION

The Directors (excluding the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver) are of the view that:

- (i) The Subscription is a valuable opportunity for the Group to bring in a solid strategic corporate investor, namely the Subscriber which can contribute its resources and expertise in the textile and garment industry.
- (ii) The Company will benefit from the new business opportunities that the Subscriber may introduce to the Company, considering the Subscriber's scope of operations in the PRC and worldwide.
- (iii) Through the Subscription, the Company will raise a substantial amount of additional funds which will improve the financial position and liquidity of the Group and provide the Company with the financial flexibility necessary for the expansion of the Group's existing business and the capability to capture any prospective acquisition opportunities as and when they arise.

In light of the factors set out above, the Directors (excluding the members of the Independent Board Committee who will express their opinion after considering the advice of the independent financial adviser as to the fairness and reasonableness of the terms of the Subscription and the Whitewash Waiver) consider that the terms of the Subscription are fair and reasonable and on normal commercial terms and the entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS

The gross proceeds from the Subscription would amount to approximately HK\$2,215 million. The net proceeds, after taking into account the estimated expenses in relation to the Subscription, would be approximately HK\$2,206 million, representing a net subscription price of approximately HK\$1.195 per Subscription Share.

The net proceeds from the Subscription will be used for future potential acquisitions as may arise, any repayment of bank borrowings of the Group (subject to the Subscriber's review of the Group's financial position) and for general working capital purposes. Further details of the use of such net proceeds will be set out in the Circular.

NO FUND RAISING EXERCISE FOR THE PAST 12 MONTHS

Save for the Subscription, the Company did not undertake any equity fund raising exercise in the past 12 months immediately prior to the date of this announcement.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Immediately after Completion, assuming no other change in the issued share capital of the Company, the Subscriber (together with parties acting in concert with it (as defined in the Takeovers Code)) will be interested in 1,867,415,633 Shares, representing approximately 106.92% of the issued share capital of the Company as at the date of this announcement and approximately 51.98% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares.

Under Rule 26.1 of the Takeovers Code, upon the allotment and issuance of the Subscription Shares at Completion (assuming there is no other change in the issued share capital of the Company), the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it, unless the Whitewash Waiver is obtained from the Executive. The Subscriber will therefore make an application to the Executive for the Whitewash Waiver in respect of the allotment and issuance of the Subscription Shares to it.

The Whitewash Waiver, if granted by the Executive, will be subject to, among other things, approval by the Independent Shareholders at the SGM by way of a poll.

As at the date of this announcement, the Company does not believe that the transactions under the Subscription Agreement give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules) in Hong Kong. If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Circular. The Company notes that the Executive may not grant the Whitewash Waiver if the transactions under the Subscription Agreement do not comply with other applicable rules and regulations in Hong Kong.

If the Whitewash Waiver is approved by the Independent Shareholders and Completion occurs, the aggregate shareholding of the Subscriber and parties acting in concert with it in the Company will exceed 50%. The Subscriber and parties acting in concert with it may further increase their shareholdings in the Company through the exercise of the Share Options or otherwise without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

GENERAL

The Independent Board Committee will be formed to advise the Independent Shareholders in relation to the Subscription and the Whitewash Waiver. As Dr Victor FUNG Kwok King and Mr WONG Yat Ming were involved in the negotiations of the Subscription, they will not be appointed to the Independent Board Committee. An independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard and an announcement will be made upon its appointment.

The SGM will be held to consider and, if thought fit, pass the resolutions to approve, among other things: (i) the execution, delivery and performance of the Subscription Agreement; (ii) the allotment and issuance of the Subscription Shares in accordance with the Subscription Agreement; (iii) the specific mandate under which the Subscription Shares will be issued; (iv) the Whitewash Waiver; and (v) the Authorised Share Capital Increase.

The resolutions in relation to the Subscription Agreement and the Whitewash Waiver at the SGM will be voted on by the Independent Shareholders by way of a poll.

FTIL, Renown, Dr Victor FUNG Kwok King, Dr William FUNG Kwok Lun, Ms Sabrina FUNG Wing Yee, Mr WONG Yat Ming, Mr Jeremy Paul Egerton HOBBS and Mr Srinivasan PARTHASARATHY and parties acting in concert with any of them (including Mr Terence FUNG Yue Ming) and all other Shareholders who are interested in or involved in the Subscription and the Whitewash Waiver will abstain from voting on the relevant ordinary resolutions to be proposed at the SGM to approve the Subscription and the Whitewash Waiver.

All Shareholders will be able to vote on the Authorised Share Capital Increase.

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

It is a condition precedent to Completion that the Whitewash Waiver is granted by the Executive. If the Whitewash Waiver is not granted by the Executive or if the conditions (if any) imposed thereon are not fulfilled, the Subscription will not proceed.

A Circular containing, among other things, details of the Subscription, the Whitewash Waiver and the Authorised Share Capital Increase, together with the recommendation of the Independent Board Committee to the Independent Shareholders, and the letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver and the notice of SGM will be despatched to the Shareholders within 21 days from the date of this announcement and in compliance with the requirements of the Listing Rules and the Takeovers Code.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 9 November 2017 pending the release of this announcement.

Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 10 November 2017.

DEFINITIONS

“Authorised Share Capital Increase”	the proposed increase in the authorised share capital of the Company from HK\$400,000,000 divided into 4,000,000,000 Shares to HK\$500,000,000 divided into 5,000,000,000 Shares
“Board”	the board of directors of the Company
“Business Day(s)”	a day (other than a Saturday or Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rain warning signal is hoisted in Hong Kong) on which commercial banks are open for business in Hong Kong and in the PRC
“Circular”	the circular to be issued by the Company in relation to (among other things) the Subscription, the Whitewash Waiver and the Authorised Share Capital Increase
“Company”	Trinity Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription pursuant to the terms of the Subscription Agreement
“Completion Date”	date of Completion
“Condition(s)”	the condition(s) precedent set out under the section headed “ <i>Conditions of the Subscription</i> ” in this announcement
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Deposit”	a deposit in the amount of HK\$72,000,000 paid by the Subscriber to the Company on 6 October 2017 as a deposit and part payment of the Consideration upon Completion
“Directors”	members of the board of directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Facility Agreements”	all the agreements between members of the Group and certain banks in respect of outstanding bank loans and lines of credit advanced to members of the Group
“FTIL”	Fung Trinity Investments Limited, a limited liability company incorporated in the British Virgin Islands and the immediate controlling shareholder of the Company

“Group”	the Company and each of its Subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee, expected to comprise all the following non-executive Directors, namely Dr William FUNG Kwok Lun, Ms Sabrina FUNG Wing Yee, Mr Terence FUNG Yue Ming and Mr Jean-Marc LOUBIER, and all the 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 to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Subscription Agreement and the Whitewash Waiver
“Independent Shareholders”	Shareholders other than FTIL, Renown, Dr Victor FUNG Kwok King, Dr William FUNG Kwok Lun, Ms Sabrina FUNG Wing Yee, Mr WONG Yat Ming, Mr Jeremy Paul Egerton HOBBS and Mr Srinivasan PARTHASARATHY and parties acting in concert with any of them (including Mr Terence FUNG Yue Ming) and all other Shareholders who are interested in or involved in the Subscription and the Whitewash Waiver
“Last Trading Day”	8 November 2017, being the last trading day for the Shares before the date of this announcement
“Listing Committee”	has the meaning given to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOFCOM”	the Ministry of Commerce of the PRC or its competent local counterparts
“NDRC”	the National Development and Reform Commission of the PRC or its competent local counterparts
“PRC”	the People’s Republic of China, and for the purpose of this announcement only excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“PRC Overseas Investments Filings”	the filings with the authorities of the PRC with respect to the Subscription to be made by the Subscriber, including (a) the filings with NDRC and MOFCOM with respect to the consummation of the Subscription; and (b) foreign exchange filings by authorised banks and supervised by SAFE in connection with the Subscription, including filings for conversion of Renminbi funds into dollar funds and transfer of dollar funds to the Company;

“Renown”	Renown Incorporated, a company listed on the Tokyo Stock Exchange, in which the Subscriber directly and indirectly through a subsidiary holds 52.99% equity interest
“Ruyi Group”	the Subscriber and its subsidiaries
“SAFE”	the State Administration of Foreign Exchange of the PRC or its competent local counterparts
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held to approve, among other things, the Subscription, the Whitewash Waiver and the Authorised Share Capital Increase
“Share(s)”	shares of HK\$0.10 each in the capital of the Company
“Share Option”	share option granted pursuant to the share option scheme adopted by the Shareholders on 16 October 2009
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Shandong Ruyi International Fashion Industry Investment Holding Company Limited, a limited liability company established in the PRC
“Subscription”	the subscription of the Subscription Shares by the Subscriber subject to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 8 November 2017 and entered into between the Company, the Subscriber and FTIL
“Subscription Price”	the price of HK\$1.20 for the subscription of each Subscription Share
“Subscription Shares”	subject to the fulfillment of the Conditions and the terms of the Subscription Agreement, 1,846,000,000 newly issued Shares to be subscribed by the Subscriber upon Completion
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)

“Whitewash Waiver”

a waiver from the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of the Subscriber to make a mandatory general offer for all of the Shares not already owned or agreed to be acquired by the Subscriber or parties acting in concert with it which would, if the Subscription proceeds, otherwise arise as a result of the allotment and issue of the Subscription Shares to the Subscriber

By Order of the Board
Victor FUNG Kwok King
Chairman & Non-executive Director

Hong Kong, 9 November 2017

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.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Subscriber and Ruyi Group) contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Subscriber and Ruyi Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The directors of the Shandong Ruyi International Fashion Industry Investment Holding Company Limited, namely, QIU Yafu (and also in his capacity as the direct majority Shareholder of the Subscriber), QIU Dong, SUN Weiyang, SUN Liming, WANG Yan, CUI Juyi and ZHOU Hungma, jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration, and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

* For identification purposes only