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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**

#### **SALE OF OFF-SEASON GARMENTS AND FASHION ACCESSORIES TO SUBSTANTIAL SHAREHOLDER AND ITS ASSOCIATES**

The Board announces that on 19 December 2018, the Company entered into the Master Agreement with FH 1937 for the sale of off-season garments and fashion accessories by the Group to the FH 1937 Group for a term commencing on 19 December 2018 and ending on 31 December 2020.

As FH 1937 is a substantial shareholder of the Company, members of the FH 1937 Group are connected persons of the Company. The Transactions constitute continuing connected transactions for the Company under the Listing Rules. As 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 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**

In relation to the sale of off-season garments and fashion accessories by members of the Group to the FH 1937 Group, on 19 December 2018, the Company entered into the Master Agreement with FH 1937 for a term covering the period from 19 December 2018 to 31 December 2020, details of which are set out below.

### **MASTER AGREEMENT**

#### ***Date***

19 December 2018

#### ***Parties***

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

### ***Subject Matter***

Pursuant to the Master Agreement, the Group should enter into Relevant Agreements with the FH 1937 Group in relation to the sale of off-season garments and fashion accessories by the Group to the FH 1937 Group.

### ***Term***

For the period from 19 December 2018 to 31 December 2020

### ***Pricing Basis***

The pricing of each Transaction will be determined by the relevant member of the FH 1937 Group and the relevant member of the Group (together, the “Parties”) on an arm’s length basis at the time they enter into a Relevant Agreement, with reference to the Parties’ specific requirements as well as the selling price of the relevant products to independent third party customers. The prices and terms offered by the Group to the FH 1937 Group in respect of each Transaction will be either at market rate or at rate no more favourable than those offered to independent third parties.

When determining the terms of the Transaction(s), the Group will take into account a number of factors including but not limited to (i) price offered to independent third party customers, (ii) quantity, (iii) payment and credit terms, (iv) inventory level and ageing assessment performed at the year end; and will benchmark these factors with independent third party channels so as to ensure that the terms offered to the FH 1937 Group are fair and reasonable.

### ***Historical Figures (2015 – 2017)***

*Annual caps of the sale of garments and fashion accessories for the financial years ended:*

2015	2016	2017
HK\$80,000,000	HK\$85,000,000	HK\$90,000,000

### ***Annual Caps (2018 – 2020)***

The proposed Annual Caps for the Transaction for the period from 19 December 2018 to 31 December 2018 is HK\$25,000,000 and each of the two years ending 31 December 2019 and 2020 are HK\$40,000,000.

The Annual Caps have been determined by reference to business projections and taking into account the prevailing market conditions, including the Group’s intention to have a block sale of off-season inventory by the end of 2018.

### ***Payment Term***

The FH 1937 Group shall pay mutually agreed deposit of goods to the Group after confirming the purchase order and pay the remaining balance within 60 to 90 days after the receipt of goods.

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

The FH 1937 Group has developed new multi-brand outlet channels to clear off-season merchandise in Greater China. By entering into the Master Agreement, the Group can secure additional avenues to offload excess inventories in order to rationalise the inventory in the meantime improving the Group's cash flow more rapidly.

The terms of the Master Agreement were agreed upon after arm's length negotiations between the Company and FH 1937. The Directors (including the independent non-executive Directors) consider that the terms of the Master Agreement are on normal commercial terms, in the ordinary and usual course of business of the Group, and that the terms of the 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.

Ms Sabrina Fung Wing Yee, being a director of the Company and by virtue of her deemed interests in FH 1937, had abstained from voting on the relevant board resolution(s) as required by the Company's Bye-laws or the Listing Rules.

## **INFORMATION OF THE PARTIES**

The Group is principally engaged in the retailing and wholesale of premium menswear in Greater China 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 a substantial shareholder of the Company, members of the FH 1937 Group are connected persons of the Company. The Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As 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 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.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

<b>“Annual Caps”</b>	maximum aggregate annual value of the Transactions projected for the period from 19 December 2018 to 31 December 2018 and each of the two years ending 31 December 2019 and 2020 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>“Director(s)”</b>	the director(s) of the Company
<b>“FH 1937”</b>	Fung Holdings (1937) Limited, a company incorporated in Hong Kong with limited liability, and a substantial shareholder of the Company
<b>“FH 1937 Group”</b>	FH 1937 and its subsidiaries and its associates (including Li & Fung Limited and Global Brands Group Holding Limited and their respective subsidiaries)
<b>“Greater China”</b>	Chinese Mainland, Hong Kong, Macau and Taiwan
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange
<b>“Master Agreement”</b>	the master agreement entered into between the Company and FH 1937 on 19 December 2018 in relation to the sale of off-season garments and fashion accessories to the FH 1937 Group by the Group for a term from 19 December 2018 to 31 December 2020
<b>“percentage ratios”</b>	has the meaning ascribed to it by the Listing Rules
<b>“Relevant Agreement(s)”</b>	the individual agreement(s) to be entered into between the Group and the FH 1937 Group for the Transactions from time to time
<b>“Shareholder(s)”</b>	holder(s) of shares in the Company
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“subsidiary(ies)”</b>	has the meaning ascribed to it by the Listing Rules
<b>“substantial shareholder”</b>	has the meaning ascribed to it by the Listing Rules
<b>“Transactions”</b>	the transactions contemplated under the Master Agreement
<b>“%”</b>	per cent

By Order of the Board  
**SUN Weiyang**  
*Chief Executive Officer & Executive Director*

Hong Kong, 19 December 2018

*As at the date of this announcement, the Board comprises five executive directors, namely Ms SUN Weiyang, Mr Paul David HAOUZI, Ms QIU Chenran, Ms SU Xiao and Mr Kelvin HO Cheuk Yin; four non-executive directors, namely Mr QIU Yafu, Ms Sabrina FUNG Wing Yee, Mr WONG Yat Ming and Mr Daniel LALONDE; and three independent non-executive directors, namely Mrs Eva CHENG LI Kam Fun, Mr Michael LEE Tze Hau and Mr Patrick SUN.*

\* For identification purposes only