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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 CONTROLLING SHAREHOLDER AND ITS ASSOCIATES

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

As Ruyi is a controlling shareholder of the Company, members of the Ruyi 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 Ruyi Group, on 19 December 2018, the Company entered into the Master Agreement with Ruyi 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) Ruyi, a controlling shareholder of the Company

Subject Matter

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

Annual Caps (2018 – 2020)

The proposed Annual Caps for the Transaction for the period from 19 December 2018 to 31 December 2018 and each of the two years ending 31 December 2019 and 2020 are HK\$55,000,000.

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 Ruyi 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

Ruyi Group engages in textile related businesses including sale of apparels and has a strong point of sales network in Greater China. By entering into the Master Agreement, the Group can leverage on Ruyi’s well-developed distribution network to enhance its brands awareness and further widen its customer base in Greater China region.

The terms of the Master Agreement were agreed upon after arm's length negotiations between the Company and Ruyi. 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.

Mr Qiu Yafu, Ms Qiu Chenran, Ms Sun Weiyang, Ms Su Xiao and Mr Kelvin Ho Cheuk Yin, all being Directors and senior executives of Ruyi (a controlling shareholder of the Company), are considered to be interested in the transactions contemplated under the Master Agreement, and therefore abstained from voting on the related Board resolutions approving the Master Agreement (including the approval of the Annual caps).

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.

Ruyi Group is engaged in raw materials cultivation, textiles processing, and design and sale of brands and apparel.

LISTING RULES IMPLICATIONS

As Ruyi is a controlling shareholder of the Company, members of the Ruyi 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:

“Annual Caps”	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
“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

“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 PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Agreement”	the master agreement entered into between the Company and Ruyi on 19 December 2018 in relation to the sale of off-season garments and fashion accessories to the Ruyi Group by the Group for a term from 19 December 2018 to 31 December 2020
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“PRC”	People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Relevant Agreement(s)”	the individual agreement(s) to be entered into between the Group and the Ruyi Group for the Transactions from time to time
“Ruyi”	Beijing Ruyi Fashion Investment Holding Company Limited (formerly known as “Shandong Ruyi International Fashion Industry Investment Holding Company Limited”), a limited liability company established in the PRC, which is the controlling shareholder of the Company
“Ruyi Group”	Ruyi and its subsidiaries and its associates
“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 Master Agreement
“%”	per cent

By Order of the Board
SUN Weiyong
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 Weiyong, 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*