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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

PROVISION OF MANAGEMENT, ADVISORY AND ADMINISTRATIVE SERVICES IN RESPECT OF THE “AQUASCUTUM” BRAND TO CONTROLLING SHAREHOLDER AND ITS ASSOCIATES

The Board announces that on 30 May 2019, the Company entered into the Master Services Agreement with Ruyi for a term commencing from 1 June 2019 and ending on 31 December 2021 in connection with the provision of management, advisory and administrative services by the Group to the Ruyi Group in respect of the “Aquascutum” brand.

As Ruyi is a controlling shareholder of the Company, members of the Ruyi Group are connected persons of the Company. The Master Services Agreement and the Transactions constitute continuing connected transactions for 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 entering into of the Master Services Agreement and 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.

BACKGROUND INFORMATION

The Board announces that on 30 May 2019, the Company entered into the Master Services Agreement with Ruyi to establish a framework for the provision of management, advisory and administrative services by the Group to the Ruyi Group in respect of the “Aquascutum” brand for a term commencing from 1 June 2019 and ending on 31 December 2021, details of which are set out below.

MASTER SERVICES AGREEMENT

Date

30 May 2019

Parties

- (1) the Company; and
- (2) Ruyi, a controlling shareholder of the Company.

Nature of the Transactions

The Transactions are related to the provision of management, advisory and administrative services, including (among other things) supply chain management, design, product development, marketing and back-office support, by any member of the Group to any member of the Ruyi Group in respect of the “Aquascutum” brand pursuant to the Master Services Agreement.

Term

Commencing from 1 June 2019 and ending on 31 December 2021

Pricing basis

The fee(s) of the Transaction(s) will be determined by the relevant member(s) of the Group and the relevant member(s) of the Ruyi Group on an arm’s length basis at the time of the entering into of the Relevant Agreement(s) for the Transaction(s) with reference to the current level of costs of the back-office supporting staff of the Ruyi Group in respect of the “Aquascutum” brand as well as the estimated costs to be borne by the Group for the provision of the relevant service(s). The fees and terms offered by the Group to the Ruyi Group in respect of the Transactions will be either at market rate, the amounts of which will be determined with reference to the costs to be incurred by the Group in rendering the relevant services plus a margin of 10%, or at a rate no more favourable than those offered 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 including, but not limited, to (i) fee, (ii) payment and credit terms, (iii) complexity of the services, (iv) service level and (v) capacity, and will benchmark these factors with independent third party channels so as to ensure that the terms offered by the Group to the Ruyi Group are fair and reasonable.

Annual Caps

	From 1 June 2019 to 31 December 2019	Year ending 31 December 2020	Year ending 31 December 2021
Total service fees	HK\$55,000,000	HK\$56,000,000	HK\$57,000,000

The above Annual Caps have been determined by reference to the projected growth of the business and scope of services.

Payment term

The Ruyi Group shall pay the annual service fees on a quarterly basis to the Group on the first day of each quarter during the term of the Master Services Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE MASTER SERVICES AGREEMENT

“Aquascutum” is a luxury brand owned by the Ruyi Group with strong brand heritage and a famous name in the fashion industry. Its business model and geographical coverage are highly similar to the brands owned by the Group. By entering into the Master Services Agreement, the Group can leverage on the well-developed business network of the “Aquascutum” brand to achieve synergy effect, and the Group can widen its income stream by fully utilising its resources.

The terms of the Master Services Agreement were agreed upon after arm's length negotiations between the Company and Ruyi. The Directors (including the independent non-executive Directors but excluding the Directors who abstained from voting) consider that the Master Services Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and the terms of the Master Services Agreement and the Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

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

The Ruyi Group is engaged in the business of 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 Master Services Agreement and the Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Mr Qiu Yafu, Ms Sun Weiyong, Ms Qiu Chenran, 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 Master Services Agreement and the Transactions, and therefore abstained from voting on the relevant resolutions of the Board approving the Master Services Agreement (including the approval of the Annual Caps).

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 entering into of the Master Services Agreement and 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 value of the Transactions projected for the period from 1 June 2019 to 31 December 2019 and each of the two years ending 31 December 2020 and 2021 respectively
“associate(s)”	has the meaning ascribed to this term under 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 this term under the Listing Rules
“controlling shareholder”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company

“Greater China”	Chinese mainland, Hong Kong, Macau Special Administrative Region of the PRC 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 of Hong Kong Limited
“Master Services Agreement”	the master services agreement entered into between the Company and Ruyi on 30 May 2019 in relation to the provision of management, advisory and administrative services by the Group to the Ruyi Group for a term commencing from 1 June 2019 and ending on 31 December 2021 in respect of the “Aquascutum” brand
“percentage ratios”	has the meaning ascribed to this term under the Listing Rules
“PRC”	The People’s Republic of China
“Relevant Agreement(s)”	the individual agreement(s) to be entered into between any member(s) of the Group and any member(s) of the Ruyi Group in relation to the Transaction(s) from time to time
“Ruyi”	北京如意時尚投資控股有限公司 (Beijing Ruyi Fashion 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 associates (excluding the Group)
“Shareholder(s)”	holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to this term under the Listing Rules
“Transaction(s)”	the transaction(s) contemplated under the Master Services Agreement
“%”	per cent

By Order of the Board
SUN Weiyang

Executive Director and Chief Executive Officer

Hong Kong, 30 May 2019

As at the date of this announcement, the Board comprises five executive directors, namely Ms SUN Weiyang (Chief Executive Officer), Mr Paul David HAOUZI (President), Ms QIU Chenran, Ms SU Xiao and Mr Kelvin HO Cheuk Yin (Chief Strategy Officer); four non-executive directors, namely Mr QIU Yafu (Chairman), Ms Sabrina FUNG Wing Yee (Deputy Chairman), Mr WONG Yat Ming and Mr Daniel LALONDE; and five independent non-executive directors, namely Mrs Eva CHENG LI Kam Fun, Mr Michael LEE Tze Hau, Mr Patrick SUN, Mr Victor HUANG and Mr YANG Dajun.

* For identification purposes only

Transliteration of the Chinese name only