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TRINITY LIMITED

利邦控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 891)

CONNECTED TRANSACTION

TENANCY AGREEMENT WITH AN ASSOCIATE OF SUBSTANTIAL SHAREHOLDER

The Board announces that on 19 June 2019, Trinity Shanghai (an indirect wholly-owned subsidiary of the Company) entered into the Tenancy Agreement with LiFung Shanghai to renew the tenancy of the Premises for a term of two years from 1 January 2020 to 31 December 2021 (both days inclusive).

HKFRS 16 “Leases” has come into effect on 1 January 2019 and is applicable to the Group. Pursuant to HKFRS 16 “Leases”, the Group is required to recognise the Premises as a right-of-use asset, in which a value of approximately RMB6.4 million (approximately HK\$7.3 million) will be recognised by the Group in its consolidated statement of financial position and amortised over the term of the Tenancy Agreement. The rent payable under the Tenancy Agreement is capital in nature and the entering into of the Tenancy Agreement and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group.

As LiFung Shanghai is an associate of FH 1937 which in turn is a substantial shareholder of the Company, LiFung Shanghai and FH 1937 are both connected persons of the Company. Accordingly, the Tenancy Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios calculated with reference to the value of the right-of-use asset to be recognised by the Group in connection with the Tenancy Agreement is more than 0.1% but less than 5%, the Tenancy Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the circular (including independent financial advice) and the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement dated 9 November 2016 of the Company relating to the 2016 Master Agreement. Pursuant to the 2016 Master Agreement, a tenancy agreement was entered into by Trinity Shanghai with LiFung Shanghai for the lease of the Premises which will expire on 31 December 2019. The Board announces that Trinity Shanghai (as the tenant) entered into the Tenancy Agreement with LiFung Shanghai (as the landlord) to renew the tenancy of the Premises. The principal terms of the Tenancy Agreement are set out below.

PRINCIPAL TERMS OF THE TENANCY AGREEMENT

Date:	19 June 2019
Landlord:	LiFung Shanghai, an associate of FH 1937 which in turn is a substantial shareholder of the Company
Tenant:	Trinity Shanghai, an indirect wholly-owned subsidiary of the Company
Premises:	Rooms 601 & 602, 6th Floor, Block 1, LiFung Plaza, No. 2000 Yishan Road, Minhang District, Shanghai, PRC
Rent:	RMB281,692.40 per month (including value added tax but excluding air-conditioning charge, management fee and other outgoings) which was determined by Trinity Shanghai and LiFung Shanghai on arm's length basis with reference to market rent of comparable properties in the district
Term:	Two years from 1 January 2020 to 31 December 2021 (both days inclusive)
Deposit:	RMB563,384.80 (equivalent to two months of rent) payable by Trinity Shanghai to LiFung Shanghai on the date on which the Premises is handed over to Trinity Shanghai
Payment term:	Rent is payable on a monthly basis on the first working day of each month

REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT

Trinity Shanghai has been leasing the Premises from LiFung Shanghai as its office premises in Shanghai. As the Premises satisfies its business needs and for administrative convenience, including saving relocation costs, Trinity Shanghai will continue to lease the Premises from LiFung Shanghai.

The terms of the Tenancy Agreement were agreed upon after arm's length negotiation between Trinity Shanghai and LiFung Shanghai. The Directors (including the independent non-executive Directors but excluding Ms Sabrina Fung Wing Yee who abstained from voting on the relevant Board resolution) consider that the Tenancy Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms of the Tenancy Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Ms Sabrina Fung Wing Yee, a Director, abstained from voting on the relevant Board resolution approving the Tenancy Agreement by virtue of her deemed interests in FH 1937.

LISTING RULES IMPLICATIONS

HKFRS 16 "Leases" has come into effect on 1 January 2019 and is applicable to the Group. Pursuant to HKFRS 16 "Leases", the Group is required to recognise the Premises as a right-of-use asset, in which a value of approximately RMB6.4 million (approximately HK\$7.3 million) will be recognised by the Group in its consolidated statement of financial position and amortised over the term of the Tenancy Agreement. The rent payable under the Tenancy Agreement is capital in nature and the entering into of the Tenancy Agreement and the transaction contemplated thereunder will be regarded as an acquisition of asset by the Group.

As LiFung Shanghai is an associate of FH 1937 which in turn is a substantial shareholder of the Company, LiFung Shanghai and FH 1937 are both connected persons of the Company. Accordingly, the Tenancy Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest of the applicable percentage ratios calculated with reference to the value of the right-of-use asset to be recognised by the Group in connection with the Tenancy Agreement is more than 0.1% but less than 5%, the Tenancy Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the circular (including independent financial advice) and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION

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 fully owned brands globally. Trinity Shanghai is principally engaged in the retailing and wholesale of premium menswear in PRC.

FH 1937 is an investment holding company and the FH 1937 Group focuses on four main businesses – namely, sourcing, logistics, distribution and retail. LiFung Shanghai is principally engaged in the leasing of properties in PRC.

DEFINITIONS

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

“2016 Master Agreement”	the master agreement dated 9 November 2016 entered into between the Company and FH 1937 in respect of the leasing of properties and/or the granting of licensing right to use properties (or any part thereof) by the FH 1937 Group to the Group for a term of three years from 1 January 2017 to 31 December 2019
“associate”	has the meaning ascribed to this term 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”	has the meaning ascribed to this term by the Listing Rules
“Director(s)”	the director(s) of the Company
“FH 1937”	Fung Holdings (1937) Limited, a company incorporated in Hong Kong with limited liability and a substantial shareholder of the Company
“FH 1937 Group”	FH 1937 and its associates (excluding the Group in the context of the 2016 Master Agreement)
“Greater China”	Chinese Mainland, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Group”	the Company and its subsidiaries

“HKFRS 16 “Leases””	Hong Kong Financial Reporting Standard 16 “Leases” issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of PRC
“LiFung Shanghai”	上海利豐物業管理有限公司 (Shanghai LiFung Property Management Company Limited [#]), a company incorporated in PRC with limited liability and an associate of FH 1937
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“percentage ratios”	has the meaning ascribed to this term by the Listing Rules
“PRC”	The People’s Republic of China
“Premises”	the premises set out in the section headed “Principal Terms of the Tenancy Agreement” in this announcement
“RMB”	Renminbi, the lawful currency of PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to this term by the Listing Rules
“substantial shareholder”	has the meaning ascribed to this term by the Listing Rules
“Tenancy Agreement”	the tenancy agreement entered into by Trinity Shanghai with LiFung Shanghai on 19 June 2019 in relation to the lease of the Premises
“Trinity Shanghai”	利邦(上海)服裝貿易有限公司 (Trinity Distributions and Retails (Shanghai) Limited [#]), a company incorporated in PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

For illustration purposes, the translation of RMB into HK\$ is based on exchange rate of RMB1.00 to HK\$1.14.

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

Hong Kong, 19 June 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