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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  
LICENCE AGREEMENTS**

The Board announces that, on 25 May 2018:

1. Trinity International (an indirect wholly-owned subsidiary of the Company), as sub-licensor, entered into the KCDB Licence Agreement with Ruyi HK (a subsidiary of Ruyi), pursuant to which Trinity International agreed to grant to Ruyi HK or any of its subsidiary(ies) as nominated by Ruyi HK as licensee (i.e. KCDB Licensee), among other things, the rights set out in “The Licence Agreements – 1. The KCDB Licence Agreement” section of this announcement;
2. Trinity France (an indirect wholly-owned subsidiary of the Company), as licensor, entered into the Cerruti Licence Agreement with Ruyi HK (a subsidiary of Ruyi), pursuant to which Trinity France agreed to grant to Ruyi HK or any of its subsidiary(ies) as nominated by Ruyi HK as licensee (i.e. Cerruti Licensee), among other things, the rights set out in “The Licence Agreements – 2. The Cerruti Licence Agreement” section of this announcement; and
3. GHIL and GHIBVI (each of them an indirect wholly-owned subsidiary of the Company), as licensors, entered into the G&H Licence Agreement with Ruyi HK (a subsidiary of Ruyi), pursuant to which both GHIL and GHIBVI agreed to grant to Ruyi HK or any of its subsidiary(ies) as nominated by Ruyi HK as licensee (i.e. G&H Licensee), among other things, the rights set out in “The Licence Agreements – 3. The G&H Licence Agreement” section of this announcement.

As at the date of this announcement, Ruyi and its associates indirectly holds an aggregate interest in 1,867,415,633 Shares, representing approximately 51.90% of the entire issued share capital and the voting rights of the Company. Ruyi HK is a subsidiary of Ruyi. Accordingly, Ruyi HK is an associate of Ruyi and a connected person of the Company, and the transactions contemplated under the Licence Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) relating to the proposed annual caps for the transactions contemplated under the Licence Agreements, on an annual and aggregate basis, exceeds 0.1% but is less than 5%, the transactions are only 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.

## **THE LICENCE AGREEMENTS**

The principal terms of the Licence Agreements are summarised as follows:

### **1. The KCDB Licence Agreement**

*Date:* 25 May 2018

*Parties:*

- (i) Trinity International; and
- (ii) Ruyi HK.

*Subject matter:*

Pursuant to the KCDB Licence Agreement, Trinity International shall grant the following rights to KCDB Licensee:

- (i) exclusive rights to distribute the K&C Licensed Products bearing the approved K&C Licensed Property in the K&C Territories, through the Retailers and the Permitted Wholesale Channels (excluding the existing stores operated by the Group);
- (ii) non-exclusive rights to distribute the DB Products in the K&C Territories through the Retailers and the Permitted Wholesale Channels (excluding the existing stores operated by the Group); and the DB Marks should be included in the DB Products as part of the DB Collection Tagline;
- (iii) non-exclusive rights to design, manufacture and source the approved K&C Licensed Products and DB Products;
- (iv) non-exclusive rights to use the approved K&C Licensed Property and DB Marks in connection with the advertising, promotion and endorsement of the K&C Licensed Products and DB Products on the approved K&C Licensed Materials in the K&C Territories;
- (v) non-exclusive non-assignable rights to conduct e-Commerce sales in the K&C Territories; and
- (vi) distribution rights in the K&C Territories for the K&C Distribution Products under the licensing arrangement between Trinity International or any of its fellow subsidiaries and its third party licensees (subject to Trinity International's licensees approval),

**PROVIDED THAT:**

all the approvals from Trinity International shall not be unreasonably withheld other than certain approvals relating to the use of DB Image in the K&C Licensed Materials and film or sounds recordings and products and/or K&C Licensed Materials bearing any DB Collection Tagline, which will be mutually agreed by the parties in good faith.

***Duration of the licence:***

K&C Territories (other than North America and South America):

A term of 31 months starting from 1 June 2018 and ending on 31 December 2020.

North America and South America:

A term of 24 months starting from 1 January 2019 and ending on 31 December 2020.

***Royalty:***

In consideration of the rights granted by Trinity International to KCDB Licensee under the KCDB Licence Agreement, KCDB Licensee shall pay an annual royalty, equal to 5% of net retail sales and 10% of net wholesale sales.

Notwithstanding the above and subject to further agreement by the parties, the amount of royalties payable in any K&C Contract Year shall be capped at HK\$58 million regardless of actual net retail sales or net wholesale sales in such year.

Regardless of the amount of actual sales of K&C Licensed Products during any K&C Contract Year, KCDB Licensee shall pay to Trinity International the guaranteed minimum royalty of HK\$30 million in K&C Contract Year 1, and HK\$52 million each in K&C Contract Years 2 and 3, payable on calendar quarterly basis.

***Joining fee:***

KCDB Licensee shall pay the Trinity International a joining fee of HK\$22 million for K&C Contract Year 1 in return for the initial set up services to KCDB Licensee.

## **2. The Cerruti Licence Agreement**

***Date:*** 25 May 2018

***Parties:***

- (i) Trinity France; and
- (ii) Ruyi HK.

***Subject matter:***

Pursuant to the Cerruti Licence Agreement, Trinity France shall grant the following rights to Cerruti Licensee:

- (i) exclusive rights to distribute the Cerruti Licensed Products bearing the approved Cerruti Licensed Property in the Cerruti Territories through the Retailers and the Permitted Wholesale Channels (excluding the existing stores operated by the Group);
- (ii) non-exclusive rights to design, source and manufacture the approved Cerruti Licensed Products;
- (iii) non-exclusive non-assignable rights to conduct e-Commerce sales in Cerruti Territories; and
- (iv) distribution rights in the Cerruti Territories for the Cerruti Distribution Products under the licensing arrangement between the Trinity France and its third party licensees (subject to Trinity France's licensees approval).

***Duration of the licence:***

A term of three years starting from 1 June 2018 and ending on 31 May 2021.

***Royalty:***

In consideration of the rights granted by Trinity France to Cerruti Licensee under the Cerruti Licence Agreement, Cerruti Licensee shall pay an annual royalty, equal to 5% of net retail sales and 10% of net wholesale sales.

Notwithstanding the above and subject to further agreement by the parties, the amount of royalties payable in any Cerruti Contract Year shall be capped at HK\$17 million regardless of actual net retail sales or net wholesale sales in such year.

Regardless of the amount of actual sales of Cerruti Licensed Products during any Cerruti Contract Year, Cerruti Licensee shall pay to Trinity France the guaranteed minimum royalty of HK\$9 million in Cerruti Contract Year 1, HK\$15 million each in Cerruti Contract Years 2 and 3, and HK\$6 million for Contract Year 4 payable on calendar quarterly basis.

***Joining fee:***

Cerruti Licensee shall pay the Trinity France a joining fee of HK\$6 million for Cerruti Contract Year 1 in return for the initial set up services to Cerruti Licensee.

**3. The G&H Licence Agreement**

***Date:*** 25 May 2018

***Parties:***

- (i) GHIL and GHIBVI; and
- (ii) Ruyi HK.

***Subject matter:***

Pursuant to the G&H Licence Agreement, GHIL and GHIBVI shall grant the following rights to G&H Licensee:

- (i) exclusive rights to distribute the G&H Licensed Products bearing the approved G&H Licensed Property in the G&H Territories through the Retailers and the Permitted Wholesale Channels (excluding the existing stores operated by the Group);
- (ii) non-exclusive rights to design, source and manufacture the approved G&H Licensed Products;
- (iii) non-exclusive non-assignable rights to conduct e-Commerce sales in the G&H Territories; and
- (iv) distribution rights in the G&H Territories for the G&H Distribution Products under the licensing arrangement between GHIL and GHIBVI, and their other third party licensees (subject to the agreements between GHIL and GHIBVI, and their own third party licensees).

***Duration of the licence:***

A term of three years starting from 1 June 2018 and ending on 31 May 2021.

***Royalty:***

In consideration of the rights granted by both GHIL and GHIBVI to G&H Licensee under the G&H Licence Agreement, G&H Licensee shall pay an annual royalty, equal to 5% of net retail sales and 10% of net wholesale sales.

Notwithstanding the above and subject to further agreement by the parties, the amount of royalties payable in any G&H Contract Year shall be capped at HK\$9 million regardless of actual net retail sales or net wholesale sales in such year.

Regardless of the amount of actual sales of G&H Licensed Products during any G&H Contract Year, G&H Licensee shall pay to both GHIL and GHIBVI the guaranteed minimum royalty of HK\$5 million in G&H Contract Year 1, HK\$8 million each in G&H Contract Years 2 and 3, and HK\$3 million for Contract Year 4 payable on calendar quarterly basis.

***Joining fee:***

G&H Licensee shall pay both GHIL and GHIBVI an aggregate joining fee of HK\$3 million for G&H Contract Year 1 in return for the initial set up services to G&H Licensee.

The joining fees and minimum royalties mentioned above are arrived at after arm's length negotiation between the Group and the Ruyi Group, taking into account the expected business volume in the relevant territories.

**ANNUAL CAPS**

The expected aggregate annual caps in respect of the transactions contemplated under the Licence Agreements for each calendar year within the term of the Licence Agreements will be:

	<u>Calendar Year 1</u>	<u>Calendar Year 2</u>	<u>Calendar Year 3</u>	<u>Calendar Year 4</u>
	For 7 months ending <u>31 Dec 2018</u>	<u>Year 2019</u>	<u>Year 2020</u>	For 5 months ending <u>31 May 2021</u>
<u>Licensed Property</u>				
K&C Licensed Property, DB Marks and DB Image	HK\$34,000,000	HK\$58,000,000	HK\$58,000,000	N/A
Cerruti Licensed Property	HK\$10,000,000	HK\$17,000,000	HK\$17,000,000	HK\$8,000,000
G&H Licensed Property	HK\$5,000,000	HK\$9,000,000	HK\$9,000,000	HK\$4,000,000
Joining Fees	HK\$31,000,000	N/A	N/A	N/A
<b>Total</b>	<b>HK\$80,000,000</b>	<b>HK\$84,000,000</b>	<b>HK\$84,000,000</b>	<b>HK\$12,000,000</b>

The above expected annual caps for the Licence Agreements are determined with reference to the expected scale of business within the respective contract period under the respective Licence Agreements. The annual caps will be subject to adjustment as agreed by the parties taking into account the reporting as otherwise required by the Listing Rules and the applicable regulations.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LICENCE AGREEMENTS**

Ruyi Group is one of the largest textile manufacturers in China which ranks among the Top 100 Chinese multi-national enterprises with value chains and operations spanning across raw materials cultivation, textiles processing, and design and sale of apparels. Through the non-exclusive licensing arrangement for design and manufacturing, the Group can utilise the fully integrated supply chain network of Ruyi Group to shorten the design and manufacturing lead time.

Besides, Ruyi Group also has a significant distribution and point of sales network that services a global customer base spreading across six continents. In particular, Ruyi has strong establishment in Europe. Therefore, the strategic licensing arrangement under the Licence Agreements can leverage on Ruyi's strength in Europe market to significantly improve the brands awareness of the three brands in their home countries.

By granting the rights set out in the Licence Agreements in the Defined Territories to Ruyi, the Group can refocus its resources on future acquisition and business development in Greater China. Ruyi's investment in Europe flagship stores will also in turn enhance the global brand images of all these three brands and create positive impact on our business in Greater China.

The Directors, including the independent non-executive Directors, consider that the Licence Agreements were entered into on normal commercial terms, in the ordinary and usual course of business of the Group and is in the interests of the Company and its shareholders as a whole and that the terms of the transactions contemplated by the Licence Agreements are fair and reasonable. The Directors, including the independent non-executive Directors, also confirmed that the annual caps set out above are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

Dr Victor Fung Kwok King, being a non-executive Director and by virtue of his deemed interests in GBG, is considered to have a material interest in the transactions contemplated under the KCDB Licence Agreement as Seven Global LLP has the exclusive right to exploit DB Marks as well as DB Image, and Seven Global LLP is treated as a subsidiary of GBG within the meaning of the Listing Rules, and therefore Dr Victor Fung Kwok King abstained from voting on the related Board resolution approving the KCDB Licence Agreement and the transactions contemplated thereunder (including the approval of the respective annual caps).

Mr Qiu Yafu, Ms Qiu Chenran, Ms Sun Weiyang, Mr Kelvin Ho Cheuk Yin and Mr Daniel Lalonde, being Directors and associates of Ruyi Brand Holding (HongKong) Company Limited (being an immediate controlling shareholder of the Company and a wholly-owned subsidiary of Ruyi), are considered to have a material interest in the transactions contemplated under the Licence Agreements, and therefore abstained from voting on the related Board resolutions approving the Licence Agreements and the transactions contemplated thereunder (including the approval of the annual caps).

Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Licence Agreements.

## GENERAL INFORMATION

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.

Trinity International is principally engaged in investment holding and trading of garments.

Trinity France is principally engaged in trading of garments and licensing.

GHIL is principally engaged in trademark licensing.

GHIBVI is an investment holding company and is principally engaged in holding of trademarks and licensing.

Ruyi HK is principally engaged in investment holding and trading of garments and related raw materials.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, Ruyi and its associates indirectly holds an aggregate interest in 1,867,415,633 Shares, representing approximately 51.90% of the entire issued share capital and the voting rights of the Company. Ruyi HK is a subsidiary of Ruyi. Accordingly, Ruyi HK is an associate of Ruyi and a connected person of the Company, and the transactions contemplated under the Licence Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) relating to the proposed annual caps for the transactions contemplated under the Licence Agreements, on an annual and aggregate basis, exceeds 0.1% but is less than 5%, the transactions are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Cerruti Contract Year”	any calendar year within the term of the Cerruti Licence Agreement
“Cerruti Distribution Products”	Products bearing the approved Cerruti Licensed Property (with distribution rights only) in respect of the products of the third party licensees of Trinity France
“Cerruti Licence Agreement”	the licence agreement dated 25 May 2018 entered into between Trinity France and Ruyi HK relating to the licensing of the Cerruti Licensed Property

“Cerruti Licensed Products”	the following exclusive product categories marketed in association with the Cerruti Licensed Property:  All menswear (except for the categories under the licensing arrangement)
“Cerruti Licensed Property”	the trademarks relating to “Cerruti”
“Cerruti Licensee”	Ruyi HK or any of its subsidiary(ies) as nominated by Ruyi HK
“Cerruti Territories”	Europe, North America, South America, Australia, Middle East, Russia, India and Pakistan
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“DB Collection Tagline”	any mutually agreed collection tagline (i.e., “David Beckham for Kent & Curwen” or any other format which includes the name of “David Beckham” on the products), the style and format of which is subject to the approval of Trinity International, not to be unreasonably withheld
“DB Image”	David Beckham’s image, name, voice and likeness
“DB Marks”	the trademarks relating to “BECKHAM” and “DAVID BECKHAM”
“DB Products”	K&C Licensed Products bearing the DB Marks and the DB Image
“Defined Territories”	collectively, the Cerruti Territories, the K&C Territories and the G&H Territories
“Directors”	the directors of the Company
“GBG”	Global Brands Group Holding Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“GHIBVI”	Gieves and Hawkes International (BVI) Limited, a company incorporated in the British Virgin Islands with limited liability, which is an indirect wholly-owned subsidiary of the Company and the owner of G&H Non-worldwide Marks
“GHIL”	Gieves & Hawkes International Limited, a company incorporated in the United Kingdom with limited liability, which is an indirect wholly-owned subsidiary of the Company and the owner of G&H Worldwide Marks
“G&H Contract Year”	any calendar year within the term of the G&H Licence Agreement



“G&H Distribution Products”	products bearing the approved G&H Licensed Property (with distribution rights only) in respect of the products of the other third party licensees of GHIL and GHIBVI
“G&H Licence Agreement”	the licence agreement dated 25 May 2018 entered into among GHIL, GHIBVI and Ruyi HK relating to the licensing of the G&H Licensed Property
“G&H Licensed Products”	the exclusive product categories in respect of all menswear marketed in association with the G&H Licensed Property
“G&H Licensed Property”	collectively, G&H Worldwide Marks and G&H Non-worldwide Marks
“G&H Licensee”	Ruyi HK or any of its subsidiary(ies) as nominated by Ruyi HK
“G&H Non-worldwide Marks”	the worldwide trademarks relating to “Gieves & Hawkes” in the United States, Japan and India
“G&H Territories”	Europe, North America, South America, Australia, Middle East, Russia, India and Pakistan
“G&H Worldwide Marks”	the worldwide trademarks relating to “Gieves & Hawkes”, excluding United States, Japan and India
“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
“KCDB Licence Agreement”	the licence agreement dated 25 May 2018 entered into between Trinity International and Ruyi HK relating to the licensing of the K&C Licensed Property and DB Collection Tagline
“KCDB Licensee”	Ruyi HK or any of its subsidiary(ies) as nominated by Ruyi HK
“K&C Distribution Products”	products bearing the approved K&C Licensed Property and/or DB Marks and/or DB Image (with distribution rights only) in respect of the products of the other third party licensees of any member of the Group
“K&C Contract Year”	any calendar year within the term of the KCDB Licence Agreement

“K&C Licensed Materials”	means:
	<ol style="list-style-type: none"> <li>(1) print media (being "above the line" paid advertising in print media)</li> <li>(2) press kits (traditional or digital)</li> <li>(3) billboards and/or poster advertisements</li> <li>(4) internet advertising for use on any websites, including social media websites</li> <li>(5) display materials for the Retailers, but excluding so-called life-size cut outs</li> <li>(6) any other materials, as mutually agreed by the parties in writing, from time to time</li> </ol>
“K&C Licensed Products”	the following product categories marketed in association with the K&C Licensed Property:
	<ol style="list-style-type: none"> <li>(1) sportswear, consisting of polo shirts, t-shirts, woven collared shirts, casual collared shirts, trouser, casual pants, jogging pants, shorts, dress pants, casual slacks, jeans, drawstring pants, in woven, knits &amp; fleece; knitwear, sweaters, hoodies, crewnecks, fleece and woven</li> <li>(2) outerwear in all fabric categories – leather, nylon, performance and wool</li> <li>(3) suit separates, including headwear, ties, dress socks, scarves and gloves</li> <li>(4) belts, leather goods, casual shoes and eyewear</li> <li>(5) backpacks and luggage, in nylon, canvas and leather</li> <li>(6) all of the above men’s categories in boys sizes</li> </ol>
“K&C Licensed Property”	the trademarks relating to “Kent & Curwen”
“K&C Territories”	Europe, North America, South America, Australia, Middle East, Russia, India and Pakistan
“Licence Agreements”	collectively, the KCDB Licence Agreement, the Cerruti Licence Agreement and the G&H Licence Agreement, and a “Licence Agreement” means any one of them
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Permitted Wholesale Channels”	the wholesale channels permitted under the respective Licence Agreements
“PRC” or “China”	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

“Retailers”	the physical retail stores and e-Commerce sites defined under the respective Licence Agreements
“Ruyi”	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
“Ruyi HK”	Forever Winner International Development Limited, a company incorporated in Hong Kong with limited liability, which is a subsidiary of Ruyi
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Trinity France”	Cerruti 1881 SAS, a company incorporated in France with limited liability, which is an indirect wholly-owned subsidiary of the Company
“Trinity International”	Trinity International Brands Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of the Company, and the sub-licensee of the DB Marks and DB Image as well as a licensee of the K&C Licensed Property which is licensed by Trinity Singapore
“Trinity Singapore”	LiFung Trinity Management (Singapore) Pte Limited, a company incorporated in Singapore with limited liability, which is an indirect wholly-owned subsidiary of the Company, and the owner of the K&C Licensed Property
“%”	per cent.

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

Hong Kong, 25 May 2018

*As at the date of this announcement, the Board comprises four executive directors, namely Ms SUN Weiyang, Ms QIU Chenran, Ms SU Xiao and Mr Kelvin HO Cheuk Yin; three non-executive directors, namely Mr QIU Yafu, Dr Victor FUNG Kwok King, GBM, GBS, CBE, and Mr Daniel LALONDE; and four independent non-executive directors, namely Mrs Eva CHENG LI Kam Fun, Mr Michael LEE Tze Hau, Mr Patrick SUN and Mr Paul David HAOUZI.*

*\* For identification purpose only*