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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 LOGISTICS RELATED SERVICES

The Board announces that on 20 December 2019, the Company entered into the New Master Agreement with FH 1937 in relation to the provision of the Logistics Related Services by the FH 1937 Group to the Group in Mainland China for a term of one year from 1 January 2020 to 31 December 2020.

As FH 1937 and Dr William FUNG Kwok Lun is each a substantial shareholder of the Company, FH 1937 and its associates as well as Li & Fung Limited and its subsidiaries (being associates of Dr William FUNG Kwok Lun) are, respectively, connected persons of the Company. Accordingly, the New Master Agreement and the transactions contemplated thereunder will constitute continuing connected transactions for the Company under the Listing Rules.

As more than one of the applicable percentage ratios in respect of the Annual Cap for the New Master Agreement exceed 0.1% but are less than 5%, the New Master Agreement and the transactions contemplated thereunder 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

Reference is made to the announcement dated 19 December 2018 of the Company regarding the 2018 Master Agreement entered into between the Company and FH 1937 in relation to the provision of the Logistics Related Services to the Group in Hong Kong and Mainland China for a term of one year from 1 January 2019 to 31 December 2019. The 2018 Master Agreement will expire on 31 December 2019. After taking into consideration the business needs of the Group, the Company entered into the New Master Agreement with FH 1937 for the provision of the Logistics Related Services by the FH 1937 Group to the Group in Mainland China for a term of one year from 1 January 2020 to 31 December 2020.

THE NEW MASTER AGREEMENT

Date

20 December 2019

Parties

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

Nature of the Transactions

Under the New Master Agreement, members of the FH 1937 Group will provide to members of the Group the logistics related services, including warehousing, transportation, freight forwarding/shipping and other value-added services (the “**Logistics Related Services**”) in Mainland China.

Term

One year from 1 January 2020 to 31 December 2020

Pricing Basis

The Group shall pay to the FH 1937 Group service fees for each transaction contemplated under the New Master Agreement which will be determined by the relevant member of the Group and the relevant member of the FH 1937 Group at the time of entry into of the relevant transaction on arm’s length negotiations based on actual costs to be charged or reimbursed in the following manner:

- (i) all direct costs, which include direct labour costs, infrastructure and occupancy expenses, shall be charged at cost with a mark-up for not more than 7%;
- (ii) IT support, tax charges and other administrative expenses shall be reimbursed at cost; and
- (iii) the service fee relating to transportation and freight related services shall be determined by the parties with reference to the weight and type of cargo, mode of shipment, freight rate of the carrier and the service fees charged by independent third party service providers.

When determining the terms of the transactions contemplated under the New Master Agreement, the Group will take into account a number of factors including, but not limited to, (i) service fee; (ii) payment and credit terms; (iii) complexity of the services; (iv) service level; (v) capacity; (vi) delivery schedule; (vii) compliance record; and (viii) quality control capability, and will benchmark these factors with independent third party service providers so as to ensure that the terms offered by the FH 1937 Group to the Group are either at market rate or at rate no less favourable than those offered to the Group by independent third party service providers.

Historical Figures

Aggregate amounts paid by the Group under the 2018 Master Agreement for the nine months ended 30 September 2019 were as follows:

	<u>Nine months ended 30 September 2019</u>
Hong Kong	HK\$316,800
Mainland China	RMB6,375,011

The annual caps under the 2018 Master Agreement for the financial year ending 31 December 2019 are as follows:

	<u>Year ending 31 December 2019</u>
Hong Kong	HK\$600,000
Mainland China	RMB20,000,000

Annual Cap

The Annual Cap under the New Master Agreement for the year from 1 January 2020 to 31 December 2020 is as follows:

	<u>Year ending 31 December 2020</u>
Mainland China only	RMB15,000,000

The Annual Cap has been determined with reference to the expected business needs and the scope of services provided by the FH 1937 Group in Mainland China.

REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW MASTER AGREEMENT

The Group has been engaging members of the FH 1937 Group for provision of the Logistics Related Services. By entering into the New Master Agreement, the Group can continue to leverage on the logistics expertise of the FH 1937 Group in Mainland China and the FH 1937 Group has a better understanding of the Group's business needs than other alternative logistics service providers.

The terms of the New Master Agreement were agreed upon after arm's length negotiations between the Company and FH 1937. The Directors (including the independent non-executive Directors but excluding the Director who abstained from voting) consider that the New Master 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 New Master Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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

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.

FH 1937 is an investment holding company and the FH 1937 Group focuses on four main businesses, namely, trading, logistics, distribution and retail.

LISTING RULES IMPLICATIONS

As FH 1937 and Dr William FUNG Kwok Lun is each a substantial shareholder of the Company, FH 1937 and its associates as well as Li & Fung Limited and its subsidiaries (being associates of Dr William FUNG Kwok Lun) are, respectively, connected persons of the Company. Accordingly, the New Master Agreement and the transactions contemplated thereunder will constitute continuing connected transactions for the Company under the Listing Rules.

As more than one of the applicable percentage ratios in respect of the Annual Cap for the New Master Agreement exceed 0.1% but are less than 5%, the New Master Agreement and the transactions contemplated thereunder 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:

“2018 Master Agreement”	the master agreement dated 19 December 2018 entered into between the Company and FH 1937 in relation to the provision of the Logistics Related Services to the Group in Hong Kong and Mainland China for a term of one year from 1 January 2019 to 31 December 2019
“Annual Cap”	the projected maximum aggregate annual amount of the service fees payable by the Group under the New Master Agreement for the year from 1 January 2020 to 31 December 2020
“associate”	has the meaning ascribed to this term by the Listing Rules
“Board”	the board of directors of the Company
“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 and Li & Fung Group, and “member of the FH 1937 Group” shall be construed accordingly
“Greater China”	Mainland China, Hong Kong, Macau Special Administrative Region of PRC and Taiwan
“Group”	the Company and its subsidiaries, and “member of the Group” shall be construed accordingly
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of PRC
“Li & Fung Group”	Li & Fung Limited, a company incorporated in Bermuda with limited liability, and its subsidiaries; each of which is an associate of Dr William FUNG Kwok Lun who in turn is a substantial shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Logistics Related Services”	has the meaning ascribed to this term under the section headed “ <i>THE NEW MASTER AGREEMENT – Nature of the Transactions</i> ” in this announcement
“New Master Agreement”	the new master agreement entered into between the Company and FH 1937 on 20 December 2019 in relation to the provision of the Logistics Related Services in Mainland China by the FH 1937 Group to the Group for a term of one year from 1 January 2020 to 31 December 2020
“percentage ratios”	has the meaning ascribed to this term by the Listing Rules
“PRC”	The People’s Republic of China
“RMB”	Renminbi, the lawful currency of PRC
“Shareholder(s)”	holder(s) of shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to this term by the Listing Rules
“substantial shareholder”	has the meaning ascribed to this term by the Listing Rules
“%”	per cent

By Order of the Board
Paul David HAOUZI
Executive Director & President

Hong Kong, 20 December 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 Patrick SUN, Mr Victor HUANG, Mr YANG Dajun and Mr ZHAO Zongren.

** For identification purposes only*