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TRINITY LIMITED

利邦控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 891)

TERMINATION OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the 2015 Announcement whereby the Company announced that Trinity International (an indirect wholly-owned subsidiary of the Company) entered into the Licence Agreement with Seven Global for the grant by Seven Global to Trinity International of certain rights to use the Licensed Property in the promotion, design, manufacture and distribution of certain products under the “Kent & Curwen” brand for the initial term from 15 September 2015 to 31 December 2020.

The Board announces that on 27 March 2020, Trinity International entered into the Termination Agreement with Seven Global for, among other things, the termination of the Licence Agreement on the Termination Date (i.e. 31 December 2019).

Dr William FUNG Kwok Lun and a trust established for the benefit of the family members of Dr Victor FUNG Kwok King, taken together, are controlling shareholders of GBG. Seven Global is a subsidiary of GBG within the meaning of the Listing Rules. Therefore, Seven Global is an associate of Dr William FUNG Kwok Lun who in turn is a substantial shareholder of the Company. Seven Global is hence a connected person of the Company and the transactions under the Licence Agreement were continuing connected transactions for the Company under Chapter 14A of the Listing Rules. The Termination Agreement is for the termination of the continuing connected transactions under the Licence Agreement.

This announcement is made under Rule 14A.35 of the Listing Rules.

INTRODUCTION

Reference is made to the 2015 Announcement whereby the Company announced that Trinity International (an indirect wholly-owned subsidiary of the Company) entered into the Licence Agreement with Seven Global for the grant by Seven Global to Trinity International of certain rights to use the Licensed Property in the promotion, design, manufacture and distribution of certain products under the “Kent & Curwen” brand for the initial term from 15 September 2015 to 31 December 2020. The Licence Agreement had a term in excess of three years. In this regard, the Company had appointed an independent financial adviser who had confirmed that it was a normal business practice for contracts of this type to be of such duration.

TERMINATION OF THE LICENCE AGREEMENT

The Board announces that on 27 March 2020, Trinity International entered into the Termination Agreement with Seven Global for, among other things, the termination of the Licence Agreement on the Termination Date (i.e. 31 December 2019).

Pursuant to the Termination Agreement, Trinity International shall pay to Seven Global total outstanding royalty payments of US\$10,750,000 (the “Agreed Sum”) as incurred under the Licence Agreement up to and including the Termination Date. The Agreed Sum represents royalty of US\$3,500,000 payable for the year ended 31 December 2018 and royalty of US\$7,250,000 payable for the year ended 31 December 2019. No royalty will be incurred or payable after the Termination Date. Neither Trinity International nor Seven Global claims to the other party any compensation nor penalty for the early termination of the Licence Agreement.

Pursuant to the Termination Agreement, Trinity International will pay the Agreed Sum to Seven Global in accordance with the following amounts on the following dates (or as otherwise agreed between Trinity International and Seven Global in writing):

- (a) US\$500,000 to be paid on or before 30 March 2020;
- (b) US\$500,000 to be paid on or before 31 May 2020;
- (c) US\$2,437,500 to be paid on or before 31 December 2020;
- (d) US\$2,437,500 to be paid on or before 31 January 2021;
- (e) US\$2,437,500 to be paid on or before 28 February 2021; and
- (f) US\$2,437,500 to be paid on or before 31 March 2021.

Subject to full payment of the Agreed Sum, Seven Global irrevocably waives all its claims against Trinity International under the Licence Agreement (except for the payment of the Agreed Sum and for (i) claims in relation to Trinity International’s breaches of the Licence Agreement unknown to Seven Global as at the date of the Termination Agreement or (ii) claims to be made by third parties against Seven Global after the date of the Termination Agreement). Trinity International irrevocably waives all and any claims it may have under the Licence Agreement against Seven Global (except for (i) claims in relation to Seven Global’s breaches of the Licence Agreement unknown to Trinity International as at the date of the Termination Agreement or (ii) claims to be made by third parties against Trinity International after the date of the Termination Agreement).

The Termination Agreement shall become effective upon payment of the first payment amount of US\$500,000, which is expected to be made on 30 March 2020.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TERMINATION AGREEMENT

“Kent & Curwen” is already a brand highly recognised by the market. The Directors, having given regard to the current performance of the “Kent & Curwen” brand, consider that it would not have any material adverse impact on the promotion and sales of the “Kent & Curwen” branded products in the absence of association with the Licensed Property. If the Licence Agreement were not terminated, Trinity International would otherwise have to pay a guaranteed minimum royalty of US\$7,250,000 for the year ending 31 December 2020 regardless of sales of the relevant products. The early termination of the Licence Agreement allows the Group to achieve cost saving which is beneficial to the Group.

The Directors (including the independent non-executive Directors, but excluding Ms Sabrina FUNG Wing Yee who has abstained from voting) consider that the Termination 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 Termination Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and its shareholders as a whole. Ms Sabrina FUNG Wing Yee, a Director, is the daughter of Dr Victor FUNG Kwok King. She has abstained from voting on the relevant Board resolution by virtue of her deemed interest in the Termination Agreement.

LISTING RULES IMPLICATIONS

Dr William FUNG Kwok Lun and a trust established for the benefit of the family members of Dr Victor FUNG Kwok King, taken together, are controlling shareholders of GBG. Seven Global is a subsidiary of GBG within the meaning of the Listing Rules. Therefore, Seven Global is an associate of Dr William FUNG Kwok Lun who in turn is a substantial shareholder of the Company. Seven Global is hence a connected person of the Company and the transactions under the Licence Agreement were continuing connected transactions for the Company under Chapter 14A of the Listing Rules. The Termination Agreement is for the termination of the continuing connected transactions under the Licence Agreement.

This announcement is made under Rule 14A.35 of the Listing Rules.

GENERAL

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 the import, export and retailing of menswear and accessories.

GBG Group is principally engaged in the design, development, marketing and sale of branded apparel, footwear, fashion accessories and related lifestyle products. Seven Global is principally engaged in marketing and exploitation of intellectual properties.

DEFINITIONS

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

“2015 Announcement”	the announcement of the Company dated 16 September 2015 in respect of the Licence Agreement
“Agreed Sum”	has the meaning ascribed to this term under the section headed “TERMINATION OF THE LICENCE AGREEMENT” in this announcement
“associate”	has the meaning ascribed to this term under 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 Main Board of the Stock Exchange
“connected person”	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
“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
“GBG Group”	GBG and its subsidiaries
“Greater China”	Mainland China, Hong Kong, Macau Special Administrative Region of The People’s Republic of China and Taiwan
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China
“Licence Agreement”	the licence agreement dated 15 September 2015 entered into between Trinity International (as licensee) and Seven Global (as licensor) which was acknowledged and agreed by Mr David Beckham (as owner of the Licensed Property) in relation to the grant by Seven Global to Trinity International of certain rights to use the Licensed Property in the promotion, design, manufacture and distribution of certain products under the “Kent & Curwen” brand for the initial term from 15 September 2015 to 31 December 2020
“Licensed Property”	collectively, the trademarks “BECKHAM” and “DAVID BECKHAM” and David Beckham’s image, name, voice and likeness
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Seven Global”	Seven Global LLP, a limited liability partnership incorporated and registered in England and Wales, and a subsidiary of GBG
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to this term under the Listing Rules

“Termination Agreement”	the termination agreement entered into between Trinity International and Seven Global on 27 March 2020 for, among other things, the termination of the Licence Agreement on the Termination Date
“Termination Date”	31 December 2019
“Trinity International”	Trinity International Brands Limited, a company incorporated in Hong Kong with limited liability, and an indirect wholly-owned subsidiary of the Company
“US\$”	United States dollars, the lawful currency of the United States

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

Hong Kong, 27 March 2020

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); three non-executive directors, namely Mr QIU Yafu (Chairman), Ms Sabrina FUNG Wing Yee (Deputy Chairman) and Mr WONG Yat Ming; 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*