

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**TRINITY LIMITED**

**利邦控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 891)**

## **CONTINUING CONNECTED TRANSACTIONS**

### **AQUASCUTUM TRADEMARK LICENCE AGREEMENT**

**AND**

### **EXCLUSIVE AGENCY AGREEMENT**

The Board is pleased to announce that on 21 September 2020:

1. TRHK (an indirect wholly-owned subsidiary of the Company) entered into the Aquascutum Trademark Licence Agreement with AQL and AQIL (both being indirect non-wholly owned subsidiaries of Ruyi) pursuant to which AQL (acting for itself and with the relevant authorisation of AQIL) granted to TRHK the exclusive rights (subject to the Existing Licences) to use the AQ Licensed Trademarks and the AQI Licensed Trademarks to design, manufacture, sell, distribute, market and promote the Licensed Products in the Licensed Territories; and
2. TRHK entered into the Exclusive Agency Agreement with AQL pursuant to which AQL appointed TRHK as its exclusive agent for licensing to third parties the use of the AQ Authorised Trademarks in the Agency Territories.

AQL and AQIL are indirect non-wholly owned subsidiaries of Ruyi, the controlling shareholder of the Company, and hence are associates of Ruyi. Since Mr QIU Yafu, a non-executive Director, directly holds, and exercises and controls 51% equity interests in Ruyi, AQL and AQIL are also associates of Mr QIU Yafu. Therefore, both AQL and AQIL are connected persons of the Company. Accordingly, the Aquascutum Trademark Licence Agreement and the Exclusive Agency Agreement as well as the respective transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As more than one of the applicable percentage ratios in respect of the Annual Caps exceed 0.1% but are less than 5%, the Agreements and the respective 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**

AQL is the owner of the AQ Licensed Trademarks and the AQ Authorised Trademarks. AQIL is the owner of the AQI Licensed Trademarks and has authorised AQL to license the use of the AQI Licensed Trademarks to any third parties in AQL's own name and to collect royalties arising therefrom.

On 21 September 2020, TRHK (an indirect wholly-owned subsidiary of the Company) entered into the Aquascutum Trademark Licence Agreement with AQL and AQIL (both being indirect non-wholly owned subsidiaries of Ruyi) pursuant to which AQL (acting for itself and with the relevant authorisation of AQIL) granted to TRHK the exclusive rights (subject to the Existing Licences) to use the AQ Licensed Trademarks and the AQI Licensed Trademarks to design, manufacture, sell, distribute, market and promote the Licensed Products in the Licensed Territories. Details of the Aquascutum Trademark Licence Agreement are set out below in this announcement.

Also, on 21 September 2020, TRHK entered into the Exclusive Agency Agreement with AQL pursuant to which AQL appointed TRHK as its exclusive agent for licensing to third parties the use of the AQ Authorised Trademarks in the Agency Territories. Details of the Exclusive Agency Agreement are set out below in this announcement.

## **KEY TERMS OF THE AGREEMENTS**

### **1. The Aquascutum Trademark Licence Agreement**

***Date:***

21 September 2020

***Parties:***

- (i) Aquascutum Limited, as the owner of the AQ Licensed Trademarks and the licensor
- (ii) Aquascutum International Licensing Limited, as the owner of the AQI Licensed Trademarks
- (iii) Trinity Retail (H.K.) Limited, as the licensee

***Subject matter:***

AQL (as the owner of the AQ Licensed Trademarks and with the authorisation of AQIL for it to license the AQI Licensed Trademarks in its own name), as the licensor, granted to TRHK, as the licensee, the exclusive rights (subject to the Existing Licences) to use the AQ Licensed Trademarks and the AQI Licensed Trademarks to design, manufacture, sell, distribute, market and promote the Licensed Products in the Licensed Territories.

***Sub-licensing to other subsidiaries of the Company:***

TRHK is entitled to sub-license the rights under the Aquascutum Trademark Licence Agreement to any other subsidiaries of the Company (the “**Sub-licensees**”) provided that the provisions of all relevant sub-licence agreements (including, without limitation, the Annual Royalty payable thereunder) shall be consistent with the provisions of the Aquascutum Trademark Licence Agreement.

***Annual Royalty:***

TRHK shall pay to AQL for each financial year a royalty (the “**Annual Royalty**”) equal to 5% of the net retail sales and 10% of the net wholesale sales of the Licensed Products bearing the AQ Licensed Trademarks and/or the AQI Licensed Trademarks achieved by TRHK (and, if applicable, all Sub-licensees).

The rate of the Annual Royalty was arrived at after arm’s length negotiations between TRHK and AQL with reference to the royalty fees charged by other trademark licensors for similar transactions and having given regard to the prevailing market conditions.

***Payment:***

Within 30 days after the end of each financial year or after the expiry of the Licence Term, TRHK will pay to AQL the Annual Royalty. However, no Annual Royalty is due and payable on such net retail sales and/or net wholesale sales unless payments thereof have actually been received by TRHK (and, if applicable, all Sub-licensees).

***Initial Licence Term:***

Three years from 1 September 2020 to 31 August 2023, both days inclusive (the “**Initial Licence Term**”).

***Licensee Renewal Option:***

TRHK is given the option to renew at its absolute discretion the term of the Aquascutum Trademark Licence Agreement on same terms and conditions (except the Royalty Annual Caps) for another three years by serving written notice to AQL (i) before the expiry of the Initial Licence Term, and (ii) if applicable, before the expiry of each and all subsequent renewed term (the “**Licensee Renewal Option**”).

## 2. The Exclusive Agency Agreement

***Date:***

21 September 2020

***Parties:***

- (i) Aquascutum Limited, as the owner of the AQ Authorised Trademarks and the principal
- (ii) Trinity Retail (H.K.) Limited, as the agent

***Subject matter:***

AQL (as the owner of the AQ Authorised Trademarks and the principal) appointed TRHK (as the agent) as its exclusive agent for licensing to third parties the use of any or all of the AQ Authorised Trademarks in any or all of the Agency Territories and collecting royalty arising therefrom (the “**Third Party Royalty**”) and in each case, the term of each relevant licence agreement entered into with third party in respect of the AQ Authorised Trademarks (the “**Third Party Licence Agreement**”) shall not exceed 20 years.

***Licensing to subsidiaries of the Company:***

TRHK may select to license any or all of the AQ Authorised Trademarks to subsidiaries of the Company for use in any or all of the Agency Territories. If a Third Party Licence Agreement is entered into with a subsidiary of the Company, the Third Party Royalty payable thereunder shall be no less than 5% of the net retail sales and 10% of the net wholesale sales of the relevant products bearing the AQ Authorised Trademarks. However, no Third Party Royalty is due and payable on such net retail sales and/or net wholesale sales unless payments thereof have actually been received by the relevant subsidiary of the Company. If a Third Party Licence Agreement will be entered into by any of the subsidiaries of the Company in respect of the AQ Authorised Trademarks, the Company will comply with the requirements of the Listing Rules (if applicable).

***Commission:***

TRHK will charge AQL a commission (the “**Commission**”) equal to 5% of the total amount of Third Party Royalty collected under all Third Party Licence Agreements entered into in respect of the AQ Authorised Trademarks.

The rate of the Commission was arrived at after arm’s length negotiations between TRHK and AQL with reference to the commission fees charged by other trademark agents for similar transactions and having given regard to the prevailing market conditions.

***Settlement:***

Within 30 days after the end of each financial year, TRHK will pass to AQL the total amount of Third Party Royalty collected under all Third Party Licence Agreements entered into in the year in respect of the AQ Authorised Trademarks after deduction of Commission and, if applicable, disbursements.

***Initial Agency Term:***

Three years from 1 September 2020 to 31 August 2023, both days inclusive (the “**Initial Agency Term**”).

***Agent Renewal Option:***

TRHK is given the option to renew at its absolute discretion the term of the Exclusive Agency Agreement on same terms and conditions (except the Commission Annual Caps) for another three years by serving written notice to AQL (i) before the expiry of the Initial Agency Term, and (ii) if applicable, before the expiry of each and all subsequent renewed term (the “**Agent Renewal Option**”).

**ANNUAL CAPS**

The Royalty Annual Caps in respect of the transactions contemplated under the Aquascutum Trademark Licence Agreement and the Commission Annual Caps in respect of the transactions contemplated under the Exclusive Agency Agreement are as follows:

<b><u>Financial Period / Year</u></b>	<b><u>Royalty</u> <u>Annual Cap</u> <u>HK\$</u></b>	<b><u>Commission</u> <u>Annual Cap</u> <u>HK\$</u></b>	<b><u>Total</u> <u>HK\$</u></b>
For the period from 1 September 2020 to 31 December 2020	6,000,000	3,500,000	9,500,000
For the year from 1 January 2021 to 31 December 2021	11,000,000	5,000,000	16,000,000
For the year from 1 January 2022 to 31 December 2022	11,000,000	5,000,000	16,000,000
For the period from 1 January 2023 to 31 August 2023	10,000,000	4,500,000	14,500,000

The Royalty Annual Caps are determined with reference to the expected annual sales of the Licensed Products bearing the AQ Licensed Trademarks and/or the AQI Licensed Trademarks by TRHK (and, if applicable, all Sub-licensees) through the Group’s retail and wholesale channels. The Commission Annual Caps are determined with reference to the expected scale of licensing business TRHK may conclude for the AQ Authorised Trademarks.

Since the transactions contemplated under the Aquascutum Trademark Licence Agreement and the Exclusive Agency Agreement are new businesses to the Group without past track records, no relevant historical figures are available.

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

The Group operates three self-owned historic brands, Kent & Curwen, Cerruti 1881 and Gieves & Hawkes, as well as one licensed brand D'URBAN in Greater China and Europe. "Aquascutum" is a luxurious heritage brand originated in Britain with a long history and a strong brand image globally. The Group sees good business potentials in developing products under the "Aquascutum" brand. Licensing the use of the "Aquascutum" trademarks in Greater China as well as acting as the brand's exclusive agent globally is a logical strategic move to expand the Group's brand portfolio and can help improve the Group's revenue and income.

The terms of the Aquascutum Trademark Licence Agreement were agreed upon after arm's length negotiations among AQL, AQIL and TRHK. The terms of the Exclusive Agency Agreement were agreed upon after arm's length negotiations between AQL and TRHK. The Directors (including all the independent non-executive Directors but excluding the Abstained Directors) consider that the Agreements were entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and that the terms of the Agreements (including the Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr QIU Yafu controls Ruyi whereas AQL and AQIL are Ruyi's subsidiaries. Ms SUN Weiyong, Ms QIU Chenran and Ms SU Xiao are directors of AQL. Ms SUN Weiyong and Ms QIU Chenran are directors of AQIL. Mr QIU Yafu, Ms SUN Weiyong, Ms QIU Chenran, Ms SU Xiao and Mr Kelvin HO Cheuk Yin are directors and/or senior management of Ruyi. Therefore, Mr QIU Yafu, Ms SUN Weiyong, Ms QIU Chenran, Ms SU Xiao and Mr Kelvin HO Cheuk Yin (all being Directors) (collectively, the "**Abstained Directors**") are deemed to have a material interest in the transactions contemplated under the Agreements and had abstained from voting on the relevant Board resolutions approving the Agreements (including approval of the Annual Caps).

## **IMPLICATIONS UNDER THE LISTING RULES**

AQL and AQIL are indirect non-wholly owned subsidiaries of Ruyi, the controlling shareholder of the Company, and hence are associates of Ruyi. Since Mr QIU Yafu, a non-executive Director, directly holds, and exercises and controls 51% equity interests in Ruyi, AQL and AQIL are also associates of Mr QIU Yafu. Therefore, both AQL and AQIL are connected persons of the Company. Accordingly, the Aquascutum Trademark Licence Agreement and the Exclusive Agency Agreement as well as the respective transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As more than one of the applicable percentage ratios in respect of the Annual Caps exceed 0.1% but are less than 5%, the Agreements and the respective 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.

## GENERAL INFORMATION

The Company is an investment holding company. 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. TRHK is principally engaged in trading of garments and licensing.

Ruyi group is engaged in the business of raw materials cultivation, textiles processing, and design and sale of brands and apparel. AQL owns "Aquascutum" trademarks in various jurisdictions around the world, including (without limitation) Hong Kong, Macau and Taiwan. AQIL owns "Aquascutum" trademarks in Mainland China.

## DEFINITIONS

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

<b>"Abstained Directors"</b>	has the meaning ascribed to this term under the section headed "REASONS FOR AND BENEFITS OF ENTERING INTO OF THE AGREEMENTS" of this announcement
<b>"Agency Term"</b>	the Initial Agency Term (subject to the Agent Renewal Option)
<b>"Agency Territories"</b>	All jurisdictions other than Mainland China, Hong Kong, Macau, Taiwan and Japan
<b>"Agent Renewal Option"</b>	has the meaning ascribed to this term under the sub-section headed "The Exclusive Agency Agreement – Agent Renewal Option" of this announcement
<b>"Agreements"</b>	collectively, the Aquascutum Trademark Licence Agreement and the Exclusive Agency Agreement
<b>"Annual Cap(s)"</b>	collectively, the Royalty Annual Cap(s) and the Commission Annual Cap(s)
<b>"Annual Royalty"</b>	has the meaning ascribed to this term under the sub-section headed "The Aquascutum Trademark Licence Agreement – Annual Royalty" of this announcement

<b>“AQ Authorised Trademarks”</b>	all the trademarks relating to the “Aquascutum” brand owned and registered as of 1 September 2020 by AQL (or to be registered by AQL) in classes 24 and 25 in all jurisdictions other than Mainland China, Hong Kong, Macau, Taiwan and Japan
<b>“AQ Licensed Trademarks”</b>	all the trademarks relating to the “Aquascutum” brand owned and registered as of 1 September 2020 by AQL in classes 24 and 25 in Hong Kong, Macau and Taiwan
<b>“AQI Licensed Trademarks”</b>	all the trademarks relating to the “Aquascutum” brand owned and registered as of 1 September 2020 by AQIL in classes 24 and 25 in Mainland China
<b>“AQIL”</b>	Aquascutum International Licensing Limited, a company incorporated in England and Wales with limited liability, a direct wholly-owned subsidiary of AQL and an indirect non-wholly owned subsidiary of Ruyi
<b>“AQL”</b>	Aquascutum Limited, a company incorporated in Hong Kong with limited liability and an indirect non-wholly owned subsidiary of Ruyi
<b>“Aquascutum Trademark Licence Agreement”</b>	the Aquascutum trademark licence agreement dated 21 September 2020 entered into among AQL (as the owner of the AQ Licensed Trademarks and the licensor), AQIL (as the owner of the AQI Licensed Trademarks) and TRHK (as the licensee) pursuant to which AQL (acting for itself and with the relevant authorisation of AQIL) granted to TRHK the exclusive rights (subject to the Existing Licences) to use the AQ Licensed Trademarks and the AQI Licensed Trademarks to design, manufacture, sell, distribute, market and promote the Licensed Products in the Licensed Territories during the Licence Term
<b>“associate”</b>	has the meaning ascribed to this term under the Listing Rules
<b>“Board”</b>	the board of directors of the Company
<b>“Commission”</b>	has the meaning ascribed to this term under the sub-section headed “The Exclusive Agency Agreement – Commission” of this announcement
<b>“Commission Annual Cap(s)”</b>	the annual aggregate maximum amount of Commission projected to be incurred under the Exclusive Agency Agreement for the four months ending 31 December 2020, the two years ending 31 December 2021 and 31 December 2022, and the eight months ending 31 August 2023 respectively

<b>“Company”</b>	Trinity Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
<b>“connected person”</b>	has the meaning ascribed to this term under the Listing Rules
<b>“controlling shareholder”</b>	has the meaning ascribed to this term under the Listing Rules
<b>“Directors”</b>	the directors of the Company
<b>“Exclusive Agency Agreement”</b>	the exclusive agency agreement dated 21 September 2020 entered into between AQL (as the owner of the AQ Authorised Trademarks and the principal) and TRHK (as the agent) pursuant to which AQL appointed TRHK as its exclusive agent for licensing to third parties (which, for avoidance of doubt, may include subsidiaries of the Company) any or all of the AQ Authorised Trademarks for use in any or all of the Agency Territories during the Agency Term
<b>“Existing Licences”</b>	non-exclusive licences in relation to the use of the AQI Licensed Trademarks in Mainland China granted by AQIL to certain third parties prior to 1 September 2020. For avoidance of doubt, the rights of TRHK under the Aquascutum Trademark Licence Agreement in Mainland China are subject to these existing licences and are hence non-exclusive until the expiry or termination of such existing licences
<b>“Greater China”</b>	Mainland China, Hong Kong, Macau, and Taiwan
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	Hong Kong Special Administrative Region of PRC
<b>“Initial Agency Term”</b>	has the meaning ascribed to this term under the sub-section headed “The Exclusive Agency Agreement – Initial Agency Term” of this announcement
<b>“Initial Licence Term”</b>	has the meaning ascribed to this term under the sub-section headed “The Aquascutum Trademark Licence Agreement – Initial Licence Term” of this announcement
<b>“Licence Term”</b>	the Initial Licence Term (subject to the Licensee Renewal Option)

<b>“Licensed Products”</b>	all the goods for which each AQ Licensed Trademark or each AQI Licensed Trademark is registered and all other goods of similar nature
<b>“Licensed Territories”</b>	Mainland China, Hong Kong, Macau and Taiwan
<b>“Licensee Renewal Option”</b>	has the meaning ascribed to this term under the sub-section headed “The Aquascutum Trademark Licence Agreement – Licensee Renewal Option” of this announcement
<b>“Listing Rules”</b>	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Macau”</b>	Macau Special Administrative Region of PRC
<b>“Mainland China”</b>	PRC (and in this context excluding Hong Kong, Macau and Taiwan)
<b>“percentage ratios”</b>	has the meaning ascribed to this term under the Listing Rules
<b>“PRC”</b>	The People’s Republic of China
<b>“Royalty Annual Cap(s)”</b>	the annual aggregate maximum amount of Annual Royalty projected to be incurred under the Aquascutum Trademark Licence Agreement (and, if applicable, all sub-licensing agreements entered into with all Sub-licensees) for the four months ending 31 December 2020, the two years ending 31 December 2021 and 31 December 2022, and the eight months ending 31 August 2023 respectively
<b>“Ruyi”</b>	北京如意時尚投資控股有限公司(Beijing Ruyi Fashion Investment Holding Company Limited), a company established in PRC with limited liability and the controlling shareholder of the Company
<b>“Share(s)”</b>	share(s) of par value HK\$0.10 in the capital of the Company
<b>“Shareholder(s)”</b>	holder of Share(s)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Sub-licensees”</b>	has the meaning ascribed to this term under the sub-section headed “The Aquascutum Trademark Licence Agreement – Sub-licensing to other subsidiaries of the Company” of this announcement
<b>“subsidiary(ies)”</b>	has the meaning ascribed to this term under the Listing Rules

<b>“Third Party Licence Agreement”</b>	has the meaning ascribed to this term under the sub-section headed “The Exclusive Agency Agreement – Subject matter” of this announcement
<b>“Third Party Royalty”</b>	has the meaning ascribed to this term under the sub-section headed “The Exclusive Agency Agreement – Subject matter” of this announcement
<b>“TRHK”</b>	Trinity Retail (H.K.) Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
<b>“%”</b>	per cent

By Order of the Board  
**QIU Yafu**  
*Chairman*

Hong Kong, 21 September 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 four independent non-executive directors, namely Mr Patrick SUN, Mr Victor HUANG, Mr YANG Dajun and Mr ZHAO Zongren.*

*\* For identification purposes only*