TRINITY LIMITED

利邦控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 891)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

Highlights

	2014	2013	% change
Revenue (*HK$ million*)	**2,624**	2,696	-2.7%
Gross profit (*HK$ million*)	**1,943**	2,036	-4.6%
Gross margin (%)	**74.1%**	75.5%	
Operating profit (*HK$ million*)	**173**	363	-52.4%
Operating margin (%)	**6.6%**	13.5%	
Profit attributable to shareholders (*HK$ million*)	**161**	308	-47.8%
Profit attributable to shareholders (%)	**6.1%**	11.4%	
Current ratio [1]	**1.3**	1.2	
Trade payable turnover days [2]	**36**	47	
Trade receivable turnover days [3]	**25**	25	
Inventory turnover days (before provision) [4]	**343**	428	
Return on equity (%) [5]	**4.7%**	8.9%	
Net debt to equity ratio (%) [6]	**6.6%**	2.6%	
Basic earnings per share (*HK cents*) [7]	**9.3**	17.8	
Dividend per share (*HK cents*)			
- Final	**4.3**	8.5	
- Full Year	**6.7**	13.0	

Key ratios:

1. *Current ratio = Current assets / current liabilities*
2. *Trade payable turnover days = Average of opening and closing balances on trade payables / cost of sales for the year x number of days for the year*
3. *Trade receivable turnover days = Average of opening and closing balances on trade receivables / revenue for the year x number of days for the year*
4. *Inventory turnover days (before provision) = Average of opening and closing balances on inventory before provision / cost of sales for the year before provision x number of days for the year*
5. *Return on equity = Profit attributable to shareholders / average shareholders' equity x 100%*
6. *Net debt to equity ratio = Net debt / total equity x 100% whereas net debt = interest bearing bank borrowings and bank overdrafts less cash and cash equivalents*
7. *Basic earnings per share = Profit attributable to shareholders / weighted average number of ordinary shares in issue*

The board of directors (the "Board") of Trinity Limited (the "Company") is pleased to announce the audited consolidated income statement and consolidated statement of comprehensive income of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2014 and the audited consolidated balance sheet of the Group as at 31 December 2014 together with the comparative figures in 2013. The annual results have been reviewed by the Company's audit committee and the Company's external auditor.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2014

	Note	**2014 HK$'000**	2013 HK$'000
Revenue	2(a)	**2,623,584**	2,695,935
Cost of sales		**(680,699)**	(659,795)
Gross profit		**1,942,885**	2,036,140
Other income	4	**98,871**	70,391
Selling and marketing expenses		**(1,329,073)**	(1,285,970)
Administrative expenses		**(507,160)**	(509,153)
Other (losses)/gains – net	5	**(32,764)**	47,592
Gain on disposal of investments in joint ventures	2(b)	**-**	3,984
Operating profit	3	**172,759**	362,984
Finance income		**36,629**	20,102
Finance costs			
Notional interest expenses on contingent purchase consideration payable for acquisition		**(10,649)**	(13,185)
Interest expenses on bank borrowings and overdrafts		**(22,331)**	(16,608)
Finance income/(costs) – net	6	**3,649**	(9,691)
Share of profit of associates	2(a)	**7,790**	16,156
Profit before income tax		**184,198**	369,449
Income tax expense	7	**(23,334)**	(61,241)
Profit for the year attributable to shareholders of the Company		**160,864**	308,208
Basic earnings per share attributable to shareholders of the Company during the year	8(a)		
(expressed in HK cents per share)		**9.3 cents**	17.8 cents
Diluted earnings per share attributable to shareholders of the Company during the year	8(b)		
(expressed in HK cents per share)		**9.3 cents**	17.7 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014 **HK$'000**	2013 HK$'000
Profit for the year	**160,864**	308,208
Other comprehensive (expenses)/income		
Item that will not be reclassified subsequently to profit or loss		
Remeasurements of post employment benefit obligations	**(13,120)**	665
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of subsidiaries and associates	**(28,842)**	3,160
Exchange differences realised upon liquidation of a subsidiary	**(124)**	-
Exchange differences realised upon disposal of a subsidiary	**-**	(263)
Other comprehensive (expenses)/income for the year, net of tax	**(42,086)**	3,562
Total comprehensive income for the year	**118,778**	311,770
Total comprehensive income attributable to:		
- Shareholders of the Company	**118,778**	311,770

CONSOLIDATED BALANCE SHEET

As at 31 December 2014

	Note	**31 December 2014 HK$'000**	31 December 2013 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**236,985**	278,572
Intangible assets		**3,054,502**	3,080,812
Investments in associates		**131,486**	135,167
Loan receivable	10	**71,930**	71,647
Derivative financial instrument	11	**6,023**	6,024
Deposits, prepayments and other receivables		**55,982**	55,436
Deferred income tax assets		**144,651**	150,670
		3,701,559	3,778,328
Current assets			
Inventories		**612,475**	684,710
Trade receivables	12	**179,978**	174,084
Deposits, prepayments and other receivables		**110,803**	120,793
Amounts due from related parties		**77**	652
Current income tax recoverables		**15,599**	20,124
Cash and cash equivalents (excluding bank overdrafts)		**522,677**	1,337,451
		1,441,609	2,337,814
Total assets		**5,143,168**	6,116,142
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital		**174,653**	173,264
Share premium		**2,376,850**	2,355,300
Reserves		**845,108**	911,071
Total equity		**3,396,611**	3,439,635
LIABILITIES			
Non-current liabilities			
Provision for long service payments		**10,377**	8,722
Retirement benefit obligations		**31,221**	22,035
Contingent purchase consideration payable for acquisition		**252,475**	319,301
Deferred income tax liabilities		**311,457**	345,159
		605,530	695,217
Current liabilities			
Trade payables	13	**43,870**	89,932
Other payables and accruals		**321,869**	401,793
Amounts due to related parties		**13,089**	20,024
Current income tax liabilities		**14,279**	41,432
Borrowings		**747,920**	1,428,109
		1,141,027	1,981,290
Total liabilities		**1,746,557**	2,676,507
Total equity and liabilities		**5,143,168**	6,116,142
Net current assets		**300,582**	356,524
Total assets less current liabilities		**4,002,141**	4,134,852

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

		Attributable to shareholders of the Company				
	Note	Share capital HK$'000	Share premium HK$'000	Retained earnings HK$'000	Other reserves HK$'000	Total HK$'000
Balance at 1 January 2013		172,372	2,335,098	1,106,342	(152,570)	3,461,242
Comprehensive income						
Profit for the year		-	-	308,208	-	308,208
Other comprehensive income						
Remeasurements of post employment benefit obligations		-	-	665	-	665
Exchange differences on translation of subsidiaries and associates		-	-	-	3,160	3,160
Exchange differences realised upon disposal of a subsidiary		-	-	-	(263)	(263)
Other comprehensive income for the year, net of tax		-	-	665	2,897	3,562
Total comprehensive income		-	-	308,873	2,897	311,770
Transactions with owners						
Employee share option schemes						
- exercise of share options		892	20,202	-	-	21,094
- transfer to retained earnings		-	-	7,515	(7,515)	-
2012 final dividends paid	9(b)	-	-	(242,071)	-	(242,071)
2012 special final dividends paid	9(b)	-	-	(34,581)	-	(34,581)
2013 interim dividends paid	9(a)	-	-	(77,819)	-	(77,819)
Total transactions with owners		892	20,202	(346,956)	(7,515)	(333,377)
Balance at 31 December 2013		173,264	2,355,300	1,068,259	(157,188)	3,439,635

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 31 December 2014

		Attributable to shareholders of the Company				
	Note	Share capital HK$'000	Share premium HK$'000	Retained earnings HK$'000	Other reserves HK$'000	Total HK$'000
Balance at 1 January 2014		173,264	2,355,300	1,068,259	(157,188)	3,439,635
Comprehensive income						
Profit for the year		-	-	160,864	-	160,864
Other comprehensive expenses						
Remeasurements of post employment benefit obligations		-	-	(13,120)	-	(13,120)
Exchange differences on translation of subsidiaries and associates		-	-	-	(28,842)	(28,842)
Exchange differences realised upon liquidation of a subsidiary		-	-	-	(124)	(124)
Other comprehensive expenses for the year, net of tax		-	-	(13,120)	(28,966)	(42,086)
Total comprehensive (expenses)/income		-	-	147,744	(28,966)	118,778
Transactions with owners						
Employee share option schemes						
- value of employee services		-	-	-	4,337	4,337
- exercise of share options		1,389	21,550	-	-	22,939
- transfer to retained earnings		-	-	18,151	(18,151)	-
2013 final dividends paid	9(b)	-	-	(147,288)	-	(147,288)
2014 interim dividends paid	9(a)	-	-	(41,790)	-	(41,790)
Total transactions with owners		1,389	21,550	(170,927)	(13,814)	(161,802)
Balance at 31 December 2014		174,653	2,376,850	1,045,076	(199,968)	3,396,611

Notes:

1. Basis of preparation and accounting policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities including derivative financial instrument and contingent purchase consideration payable for acquisition, which are carried at fair values. The consolidated financial statements are prepared in accordance with the applicable disclosure requirements of the predecessor Companies Ordinance (Cap. 32) for this financial year and the comparative period.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

During the year ended 31 December 2014, management has reviewed the basis on which the net realisable value of inventories is determined after reassessment of the utilisation of the available distribution channels and their expected sales pattern. This change in the estimated net realisable value of inventories has resulted in a decrease in provision for impairment of inventories amounted to HK$38.4 million for the year. Annual impairment provision for obsolete inventories will depend on the actual inventories level and selling experience, and consequently it is not possible to reliably estimate the effect of this change in accounting estimates in the future periods.

(a) Adoption of amendments to existing standards effective in 2014

The Group has adopted the following amendments to existing standards which are mandatory for accounting periods beginning on or after 1 January 2014 and relevant to the Group:

HKAS 32 (Amendment)	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendment)	Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets
Annual Improvements Project	Annual Improvements 2010-2012 Reporting Cycle

The adoption of such amendments to existing standards does not have material impact on the consolidated financial statements and does not result in substantial changes to the Group's accounting policies.

1. **Basis of preparation and accounting policies (Continued)**

(b) Amendments and interpretation to existing standards effective in 2014 but not relevant to the Group

The following amendments and interpretation to existing standards are mandatory for accounting periods beginning on or after 1 January 2014 but currently not relevant to the Group:

HKAS 39 (Amendment)	Financial Instruments: Recognition and Measurement: Novation of Derivatives and Continuation of Hedge Accounting
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities
HK(IFRIC) – Int 21	Levies

(c) New standards and amendments to existing standards that have been issued but are not yet effective

The following new standards and amendments to existing standards have been issued but are not yet effective and have not been early adopted by the Group:

HKAS 19 (2011) (Amendment)	Employee Benefits: Defined Benefit Plans - Employee Contribution (effective for annual periods beginning on or after 1 July 2014)
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)
HKAS 16 and HKAS 41 (Amendments)	Bearer Plants (effective for annual periods beginning on or after 1 January 2016)
HKAS 27 (Amendment)	Separate Financial Statements: Equity Method (effective for annual periods beginning on or after 1 January 2016)
HKFRS 9 (2014)	Financial Instruments (effective for annual periods beginning on or after 1 January 2018)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016)
HKFRS 11 (Amendment)	Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016)
HKFRS 14	Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)
HKFRS 15	Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017)
Annual Improvements Project	Annual Improvements 2010-2012 Reporting Cycle (effective for annual periods beginning on or after 1 July 2014)
Annual Improvements Project	Annual Improvements 2011-2013 Reporting Cycle (effective for annual periods beginning on or after 1 July 2014)
Annual Improvements Project	Annual Improvements 2012-2014 Reporting Cycle (effective for annual periods beginning on or after 1 January 2016)

1. Basis of preparation and accounting policies (Continued)

(c) New standards and amendments to existing standards that have been issued but are not yet effective (Continued)

All these new standards and amendments to existing standards are effective in the financial year of 2015 or years after 2015. The Group is in the process of making an assessment of the impact of these new standards and amendments in the period of initial application.

The minor amendments to HKAS/HKFRS under the annual improvement projects of HKICPA are not likely to have a significant impact on the results and financial position of the Group and are not analysed in detail.

In addition, the requirements of Part 9 “Accounts and Audit” of the new Hong Kong Companies Ordinance (Cap. 622) come into operation as from the Company's first financial year commencing on or after 3 March 2014 in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9 of the new Hong Kong Companies Ordinance (Cap. 622). So far it has concluded that the impact is unlikely to be significant and only the presentation and the disclosure of information in the consolidated financial statements will be affected.

2. Segment information

The Group is principally engaged in the retailing and wholesale of high-end menswear in Greater China and Europe, as well as licensing its fully owned brands globally. The associates are retailers of luxury fashion and accessories in South Korea and various countries in Southeast Asia. The performance of the Group’s retail stores is subject to seasonal fluctuations and certain holiday seasons.

Management has determined the operating segments based on reports reviewed by the senior executive management of the Group that are used to make strategic decisions. Management considers the business from both geographic and business lines perspectives. Geographically, management considers the performance of the retail businesses in the Chinese Mainland, Hong Kong & Macau, Taiwan, Europe and others. Management also assesses the performance of the individual business line, namely retail, wholesale and licensing. Management assesses the performance of operating segments based on a measure of segmental earnings before finance income/(costs) - net and income tax expense (“Segmental contributions”) for the year. Corporate employee benefit expenses and overhead, finance income/(costs), other income, gain on disposal of investments in joint ventures and other (losses)/gains - net are not allocated to segments. Inter-segment revenue are priced with reference to prices charged to external parties for similar orders. During the year, certain amendments and reclassifications (allocation of certain expenses from individual segment to corporate management overheads) were made to the management reports presented to the senior executive management in order to better reflect the composition and performance of each segment. Prior year comparatives have been restated accordingly.

Segment asset consists only of inventories.

2. Segment information (Continued)

(a) Segment results

The segment results for the year ended 31 December 2014 are as follows:

	HK & Macau		Chinese Mainland		Taiwan	Europe			Others	
	Retail HK$'000	**Wholesale HK$'000**	**Retail HK$'000**	**Wholesale HK$'000**	**Retail HK$'000**	**Retail HK$'000**	**Wholesale HK$'000**	**Licensing HK$'000**	**Retail HK$'000**	**Total HK$'000**
Total segment revenue	**833,503**	**804,693**	**1,270,853**	**17,125**	**196,900**	**176,713**	**76,523**	**153,638**	**-**	**3,529,948**
Inter-segment revenue	**-**	**(797,414)**	**-**	**-**	**-**	**-**	**(66,193)**	**(42,757)**	**-**	**(906,364)**
Segment revenue and revenue from external customers	**833,503**	**7,279**	**1,270,853**	**17,125**	**196,900**	**176,713**	**10,330**	**110,881**	**-**	**2,623,584**
Gross profit	**615,941**	**2,004**	**973,034**	**2,145**	**144,348**	**93,421**	**1,111**	**110,881**	**-**	**1,942,885**
Segmental contributions	**114,558**	**2,004**	**218,808**	**226**	**52,139**	**(87,756)**	**(9,323)**	**32,046**	**7,790**	**330,492**
Segmental contributions includes:										
Depreciation	**(22,964)**	**-**	**(108,856)**	**(1,769)**	**(3,986)**	**(14,472)**	**(378)**	**(2,689)**	**-**	**(155,114)**
Reversal of provision for impairment of property, plant and equipment	**-**	**-**	**-**	**-**	**-**	**340**	**-**	**-**	**-**	**340**
Share of profit of associates	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**7,790**	**7,790**
Segment asset	**196,036**	**-**	**319,403**	**-**	**47,230**	**49,806**	**-**	**-**	**-**	**612,475**

The segment results for the year ended 31 December 2013 were as follows:

	HK & Macau		Chinese Mainland		Taiwan	Europe			Others	
	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Retail HK$'000	Wholesale HK$'000	Licensing HK$'000	Retail HK$'000	Total HK$'000
Total segment revenue	864,479	855,621	1,331,548	13,904	191,133	179,390	31,141	155,580	-	3,622,796
Inter-segment revenue	-	(849,406)	-	-	-	-	(29,453)	(48,002)	-	(926,861)
Segment revenue and revenue from external customers	864,479	6,215	1,331,548	13,904	191,133	179,390	1,688	107,578	-	2,695,935
Gross profit	678,134	1,469	1,006,541	9,776	133,683	98,049	910	107,578	-	2,036,140
Segmental contributions	200,998	1,469	274,298	9,516	41,483	(86,009)	(5,748)	21,974	16,156	474,137
Segmental contributions includes:										
Depreciation	(16,151)	-	(132,511)	(61)	(2,546)	(10,972)	(51)	(2,215)	-	(164,507)
Additional provision for impairment of property, plant and equipment	(1,356)	-	(2,982)	-	-	-	-	-	-	(4,338)
Share of profit of associates	-	-	-	-	-	-	-	-	16,156	16,156
Segment asset	241,061	-	338,771	-	57,543	47,335	-	-	-	684,710

2. Segment information (Continued)

(b) A reconciliation of Segmental contributions to the Group's profit before income tax is as follows:

	2014 **HK$'000**	2013 HK$'000
Segmental contributions for reportable segments	**330,492**	474,137
Add:		
Other income (Note 4)	**98,871**	70,391
Other (losses)/gains – net (Note 5)	**(32,764)**	47,592
Gain on disposal of investments in joint ventures (note)	**-**	3,984
Less:		
Finance income/(costs) – net (Note 6)	**3,649**	(9,691)
Employee benefit expenses	**(153,386)**	(146,245)
Rental expenses	**(26,376)**	(21,077)
Depreciation	**(9,900)**	(11,344)
Other unallocated expenses	**(26,388)**	(38,298)
Total Group's profit before income tax	**184,198**	369,449

Note: Gain on disposal of investments in joint ventures represents the gain arising from the final adjustment of the value of the 30% equity interest in the Ferragamo entities disposed in December 2012.

(c) Geographic information

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, deposits, prepayments and other receivables and investments in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the goods were delivered or the licensing services were provided. The geographical location of the specified non-current assets is based on the physical location of the asset.

The geographical analysis of revenue from external customers is as follows:

	2014 **HK$'000**	2013 HK$'000
Hong Kong & Macau	**833,503**	864,479
Chinese Mainland	**1,287,978**	1,345,452
Taiwan	**196,900**	191,133
France	**10,381**	15,442
United Kingdom	**166,332**	163,948
Other countries	**128,490**	115,481
Total	**2,623,584**	2,695,935

Revenues from the individual countries included in other countries are not material.

2. Segment information (Continued)

(c) Geographic information (Continued)

The geographical analysis of specified non-current assets is as follows:

	2014 HK$'000	2013 HK$'000
Hong Kong & Macau	**590,514**	565,649
Chinese Mainland	**841,825**	915,855
Taiwan	**84,472**	81,822
France	**690,670**	728,900
United Kingdom	**795,295**	773,949
Singapore	**356,763**	362,599
South Korea	**104,600**	105,184
Malaysia	**10,331**	10,869
Thailand	**4,485**	5,160
Total	**3,478,955**	3,549,987

3. Operating profit

Operating profit is arrived at after charging/(crediting) the following:

	2014 HK$'000	2013 HK$'000
Cost of inventories recognised as expenses included in cost of sales	**738,095**	632,242
Write off of inventories	**6,694**	2,835
(Reversal of)/additional provision for impairment of inventories	**(64,090)**	24,718
Depreciation of property, plant and equipment	**165,014**	175,851
(Reversal of)/additional provision for impairment of property, plant and equipment	**(340)**	4,338
Loss on disposal of property, plant and equipment	**6,678**	5,199
Operating lease rental expense – minimum lease payment	**358,472**	323,112
Operating lease rental expense – contingent rents	**266,580**	290,720
Reversal of impairment of trade receivables – net	**(78)**	(3,034)
Employee benefit expenses	**707,154**	685,470
Advertising and promotion expenses (note)	**149,964**	157,797
Royalty expenses	**7,445**	7,838

Note: Advertising and promotion expenses included employee benefit expenses and operating lease rental expenses of HK$13,382,000 (2013: HK$18,892,000) and HK$1,531,000 (2013: HK$2,533,000) respectively.

The remuneration to the auditors for audit and non-audit services is as follows:

	2014 HK$'000	2013 HK$'000
Audit services	**5,486**	5,398
Non-audit services		
- taxation services	**1,019**	628
- other services	**426**	357
	6,931	6,383

Note: HK$5,467,000 (2013: HK$5,206,000) of the audit services fees and HK$1,445,000 (2013: HK$985,000) of non-audit services fees are payable to the Company's auditor.

4. Other income

	2014 **HK$'000**	2013 HK$'000
Subsidy income	**6,976**	12,974
Rental and licence fee income from third parties	**3,432**	965
Rental and licence fee income from related parties	**1,871**	1,811
Consultancy services fee income from third parties	**-**	17,094
Consultancy services fee income from a related party	**-**	2,800
Management fee income from related parties	**1,225**	2,285
Claims received	**2,475**	2,413
Sales commission	**987**	1,486
Gains on remeasurement of contingent purchase consideration payable for acquisition	**77,475**	13,513
Gain on disposal of a subsidiary	**-**	479
Others	**4,430**	14,571
	98,871	70,391

5. Other (losses)/gains – net

	2014 **HK$'000**	2013 HK$'000
Fair value losses on forward foreign exchange contracts	**(2,614)**	(209)
Net foreign exchange (losses)/gains	**(30,150)**	47,801
Other (losses)/gains – net	**(32,764)**	47,592

6. Finance income/(costs) – net

	2014 **HK$'000**	2013 HK$'000
Finance costs		
- Interest expenses on bank borrowings and overdrafts wholly repayable within five years	**(22,331)**	(16,608)
- Notional interest expenses on contingent purchase consideration payable for acquisition	**(10,649)**	(13,185)
Finance costs	**(32,980)**	(29,793)
Finance income		
- Interest income on bank deposits	**32,412**	18,606
- Interest income on loan receivable	**4,217**	1,496
Finance income	**36,629**	20,102
Finance income/(costs) – net	**3,649**	(9,691)

7. Income tax expense

Hong Kong profits tax has been provided for at the rate of 16.5% (2013: 16.5%) on the estimated assessable profit. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries or regions in which the Group operates.

	2014	2013
	HK$'000	HK$'000
Current income tax		
- Hong Kong profits tax	**16,279**	45,768
- Overseas taxation	**18,957**	31,853
- Over provision in prior years	**(12,964)**	(13,112)
Deferred income tax	**1,062**	(3,268)
	23,334	61,241

8. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing profit attributable to shareholders of the Company by weighted average number of ordinary shares in issue during the year.

	2014	2013
Weighted average number of ordinary shares in issue	**1,737,002,000**	1,728,854,000
Profit attributable to shareholders of the Company (HK$'000)	**160,864**	308,208
Basic earnings per share (HK cents per share)	**9.3 cents**	17.8 cents

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares in issue to assume conversion of all dilutive potential ordinary shares. The Company has share options as dilutive potential ordinary shares. For the dilutive effect of share options, the calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2014	2013
Weighted average number of ordinary shares in issue	**1,737,002,000**	1,728,854,000
Adjustment for share options	**1,814,000**	10,769,000
Weighted average number of ordinary shares for diluted earnings per share	**1,738,816,000**	1,739,623,000
Profit attributable to shareholders of the Company (HK$'000)	**160,864**	308,208
Diluted earnings per share (HK cents per share)	**9.3 cents**	17.7 cents

9. Dividends

(a) Dividends attributable to the year are as follows:

	2014 HK$'000	2013 HK$'000
Interim dividend declared and paid of 2.4 HK cents (2013: 4.5 HK cents) per ordinary share	**41,790**	77,819
Final dividend proposed after the balance sheet date of 4.3 HK cents (2013: 8.5 HK cents) per ordinary share	**75,101**	147,288
	116,891	225,107

The final dividend proposed after the balance sheet date has not been recognised as liabilities at the balance sheet date.

(b) Dividends attributable to the previous year, approved and paid during the year are as follows:

	2014 HK$'000	2013 HK$'000
Final dividend approved and paid (2014: 8.5 HK cents per ordinary share; 2013: 14.0 HK cents per ordinary share)	**147,288**	242,071
Special final dividend approved and paid (2014: nil; 2013: 2.0 HK cents per ordinary share)	**-**	34,581
	147,288	276,652

10. Loan receivable

(a) On 21 August 2013, the Group entered into a convertible promissory note transaction with British Heritage Brands, Inc. ("BHB"), a licensee of Kent & Curwen in Europe, North America, Central America, South America, Russia and the Middle East. Under the terms of the agreement, the Group would contribute a maximum aggregate amount of USD15.0 million in four tranches over two years with the first and second tranches of USD6.75 million and USD3.25 million already paid as at 31 December 2013. Subsequent to the balance sheet date, the Group has further contributed USD2.5 million. For the remaining USD2.5 million, the Group is required to pay to BHB, subject to the satisfaction of the relevant benchmarks as prescribed under the agreement. The convertible promissory note carries interest at 5% per annum maturing on 31 December 2027 with a right of conversion up to 23.94% equity interest of BHB during the period commencing on the earlier of either (i) the date on which sum of all payments made by the Group equals the maximum aggregate amount of the convertible promissory note; or (ii) 1 January 2016, and ending on the day occurring 90 days following the date of delivery to the Group of the annual audited financial statements of BHB for the fiscal year 2018.

(b) The convertible promissory note is denominated in US dollars.

(c) The effective interest rate of the convertible promissory note at the balance sheet date was 5.38% (2013: 5.38%).

(d) As at 31 December 2014 and 2013, the carrying amount of the Group's loan receivable approximated its fair value.

11. Derivative financial instrument

	2014 HK$'000	2013 HK$'000
Non-current assets		
Conversion right embedded in convertible promissory note	**6,023**	6,024

The conversion right embedded in convertible promissory note referred to the Group's investment in an unlisted convertible promissory note issued by BHB mentioned in Note 10.

12. Trade receivables

	2014 HK$'000	2013 HK$'000
Trade receivables	**181,700**	175,991
Less: provision for impairment of trade receivables	**(1,722)**	(1,907)
Trade receivables – net	**179,978**	174,084

Majority of the Group's revenue are retail sales and licensing income. Retail sales are made in cash or by credit card. Retail sales through department stores are generally collectible within 30 days to 60 days from the invoice date. Licensing income is generally collectible within 90 days from the invoice date. The ageing analysis by invoice date of trade receivables of the Group is as follows:

	2014 HK$'000	2013 HK$'000
1 - 30 days	**110,565**	119,988
31 - 60 days	**51,367**	42,910
61 - 90 days	**6,569**	7,190
Over 90 days	**13,199**	5,903
	181,700	175,991

The fair value of the Group's trade receivables are approximately the same as their carrying amounts.

13. Trade payables

	2014 **HK$'000**	2013 HK$'000
Trade payables	**43,870**	89,932

As at 31 December 2014 and 2013, the carrying amounts of the Group's trade payables approximated their fair values.

The credit period granted by creditors generally ranges from 30 to 90 days. Ageing analysis by invoice date of trade payables is as follows:

	2014 **HK$'000**	2013 HK$'000
1 - 30 days	**17,043**	49,720
31 - 60 days	**6,238**	16,630
61 - 90 days	**4,279**	11,226
Over 90 days	**16,310**	12,356
	43,870	89,932

Targeting globally, thinking locally

At the close of 2014 and into 2015, Trinity Limited and its subsidiaries ("the Group") is evolving and adapting with confidence to the changing Chinese market for high-end menswear. We believe we are putting in place the right retail strategy and structure to deliver consistent, sustainable returns into the future. The unique combination of our deep credentials and broad footprint across the Chinese Mainland, along with our professional expertise in global retailing, strongly positions Trinity to thrive in the dawning era of Chinese middle-class affluence.

We have achieved the performance milestones set out last August, at the time of our 2014 interim results, and are on-track with the implementation of our medium-term strategy. While affected - inevitably - by another year of lower growth in 2014 for high-end menswear in most of Greater China, the Group has been proactive about limiting the impact. Largely because of these efforts, same-store sales rose 3.2% in the second half, reversing a downward trend. Trinity remains profitable; we have a strong balance sheet, and we have introduced new methodologies and disciplines to equip us for the future.

We have significantly strengthened our teams up and down the organisation. Today, we believe we have the capabilities, and local and international talent needed to succeed within the exacting Greater China market and to compete for the rapidly-expanding segment of affluent Chinese travellers shopping overseas. We are in tune with the needs of our customers in Greater China, and when they travel to the fashion capitals of the world we are there, too. We target globally while thinking locally.

The Group's operations are being reorganised to be more competitive, both internally and externally, as we strive for greater cost efficiencies and higher productivity. Specifically we have put in place sounder budget planning, and better methods for determining where and how to open stores within the city clusters that define China's new urban landscape. Another key element of our re-organisation, which will continue in 2015, is to integrate and unify the creative, sourcing, merchandising, marketing and distribution platforms that drive Trinity's brands behind the scenes. Consolidation means, for example, that one sourcing team now services all our brands, as opposed to having a sourcing team for each.

The Chinese consumer remains our story

We remain bullish about the future for high-end menswear on the Chinese market, which has always been the Group's primary focus, and firm in our belief that Trinity's business will grow as China's upper middle class expands. Indeed, no one else addresses the Mainland Chinese market with a network of more than 310 stores in 2014, most of which are located in second- and third-tier cities where consumer spending power is rising fastest. As competitors begin targeting these cities in earnest; Trinity is already there, building customer loyalty. This is what differentiates us.

We had 390 stores in Greater China as at 31 December 2014 and, during the year, added a multi-brand outlet in Beijing that is performing well. Going forward, it is both a challenge and an opportunity to master the Mainland's new urban retail dynamics, where some cities attract more high-end spending than others. Accordingly, we have restructured our China business by appointing new managers in each of the four regions.

We have also reorganised and invested in our businesses in Europe. In particular, we completed major refurbishments of our Gieves & Hawkes flagship store at No. 1 Savile Row in London. After some pickup in the second half of 2014, we expect improved performance in 2015 as the methodologies we have put in place begin to generate results.

Improved methodologies: inventories and sourcing

In the second half of 2014, we delivered on our plan to improve inventory management and achieved new disciplines of doing business on less inventory. In keeping with this new approach, recent purchases for Spring and Fall 2015 were considerably less than that of the prior seasons.

Across the board we are improving our supply chain to make it more cost-effective and flexible, in parallel with our drive to reduce inventory. We have been able to generate a better price-value relationship for the consumer by using new and different sourcing methodologies: for instance, consolidating our buying power across the brands, sourcing fabric and finished goods directly in Europe – where we are planning to open a sourcing office in Florence – shortening the lead time to market.

In addition to streamlining and consolidating the internal infrastructure that supports our brands, we have developed centralised shared services across departments. Besides helping to reduce administrative costs, this has enabled the shared services teams to partner with the brands in instilling new disciplines consistently across the Group. We have also hired external expertise to help us strengthen Trinity's customer relations management systems. This is a lead-in to further developing our e-commerce capabilities to address customers across all channels ("omni-channel"). We shall surround our customers with convenient opportunities to be served the way they wish to be served.

New talent

Our strategy can only be achieved with the right people at all levels. During the year under review, we brought into the business a Chief Merchandising Officer, Mr Cody Kondo, previously General Merchandise Manager from Saks Fifth Avenue, who has exceptional experience in internationally-recognised retail processes and disciplines. This enables us to make better, more relevant sales, purchasing and marketing decisions. We have also engaged an experienced Chief Planner to guide our buyers and a budgeting executive to buttress our financial and organisational oversight. And to support our business on the Chinese Mainland, we have employed even more people with knowledge and experience of that market.

Our management philosophy is for customers to buy Trinity's products not just because of the look, style, point of view and value, but because each employee has personally added value at every stage.

Strengthening brand identities

As part of the Group's growth and revitalisation plans, we will – over time - move our design and creative centres from Hong Kong to the fashion centres of New York, London and Paris for Kent & Curwen, Gieves & Hawkes, and Cerruti, respectively, with the creative centre for the D'URBAN brand based in Tokyo, where it originated. All brands will be supported by powerful marketing that drives their brand image, and articulates and differentiates their stories.

While we plan to explore new markets - and new demographics within our existing markets - the Group will maintain its strong focus on the Chinese consumer. The Chinese Mainland market has changed greatly. The Chinese consumer is more discerning and sophisticated; Trinity has evolved, too. As China's upper middle class grows, we are building a sustainable business and retail model based on heritage brands that have a bright future.

Beyond Greater China, we are confident we can take our brands and use our experience, skills and capabilities to branch out successfully. In 2015, we shall open stores in Singapore, explore other parts of Southeast Asia and actively look to invest in South Korea. In all these Asian markets, we see opportunities to target new customer segments, as well as the travelling Chinese. It will be a similar story in Europe and the US, where we shall further develop our wholesale business to ensure that Trinity's brands are in top department stores.

Moving forward with optimism

Our strategy is to keep evolving as an organisation of first-class international retail and brand marketing professionals, well adapted to changed times and changing markets. From marketing to internal communications, all our processes will be geared to adding value to our brands and to our customers. We are focused on improving what we can control and adapting to what is beyond our control.

In summary, we are optimistic for the near and medium term, and remain confident about the longer-term potential for our business. We feel energised by the positive outcomes already achieved from the measures announced last August; we are sure of our ability to address near-term challenges realistically, while acting on opportunities to create a broader-based, more sustainable business for the future.

We very much look forward to the rest of 2015 when the first collections developed by the new management team will appear in the stores. The hard work of all of the Group's employees in making that happen will manifest itself, and customers will see a difference in styling, the way our stores look and how our staff have been trained.

Financial Review

Revenue

Revenue for the year 2014 was HK$2.6 billion, which was 2.7% lower than that for 2013. This small decline was primarily caused by the weak sales environment in Greater China. The change in Greater China sales was skewed towards the first half of the year where a 5.7% decline improved to a 1.2% decline in the second half. This was reflected in the improvement of same-store sales in Greater China, where growth of 1.8% was recorded in the second half of the year. Retail revenue per sq. ft. also improved, increasing by 6% to HK$5,036 per sq. ft. in 2014, from HK$4,750 per sq. ft. in 2013.

Gross profit

The gross profit was HK$1.9 billion in 2014 compared to HK$2.0 billion in the previous year. The gross profit margin was 74.1% for 2014, representing a 1.4 percentage point decline. This was due to liquidation of the excess inventory.

Selling and marketing expenses

Selling and marketing expenses amounted to HK$1.3 billion, representing a slight increase over 2013. Our continued investment in retail stores, where landlord subsidies were no longer prevalent compared to previous years, and a substantial investment in No. 1 Savile Row in London caused this change.

Administrative expenses

Administrative expenses remained stable.

Other income

Other income increased by HK$28.5 million to HK$98.9 million in 2014. The increase was due to the fair value accounting adjustment on the contingent consideration payable relating to the acquisition of Gieves & Hawkes business.

Other losses of HK$32.8 million in 2014 arose primarily from the foreign exchange loss on renminbi ("RMB") holdings. This contrasted with a gain of HK$47.6 million in 2013. It is our decision that we will not take any positions in RMB or any other currencies in the future.

Finance income – net

Net finance income was HK$3.6 million in 2014, whereas a net finance cost of HK$9.7 million was reported in 2013. This favourable result was largely due to an increase in interest earned on RMB funds held by the Group.

Share of Profit of Associates

Share of profit of associates declined to HK$7.8 million as a result of the lower net profit sharing.

Effective Tax Rate

The effective tax rate decreased to 12.7% in 2014, down from 16.6% in 2013. The decline in the effective tax rate was due to the net effect of the increase in non-taxable income (such as fair value accounting adjustment on the contingent consideration payable), and non-deductible expenses (including exchange losses), as well as the net effect of unrecognised tax losses and prior year tax adjustments.

Profit attributable to Shareholders

Profit attributable to shareholders decreased to HK$160.9 million and as a percentage of revenue was 6.1%. Basic earnings per share of the Group were 9.3 HK cents.

Working Capital Management

Significant efforts have been devoted to managing inventory. As a result, inventory turnover days were reduced to 343 days in 2014, 85 days down from the 428 days recorded in 2013, before inventory provision.

The Group's trade receivable days were 25 days which is comparable to 2013.

The Group's trade payable turnover days were 36 days in 2014, compared with 47 days in 2013. This was attributable to the strengthening of inventory control and management.

Financial Position and Liquidity

The Group generated net cash of HK$143.6 million from operating activities. This level of cash inflow was due to a decline in operating profit.

The net debt of the Group was HK$225.2 million and the net debt to equity ratio, equal to net debt divided by total equity, was 6.6%. The comparable position for 2013 was 2.6%.

Credit Risk Management

Trade receivables from department stores and receivables from licensees are the major credit risk of the business. The Group has established procedures to evaluate and monitor the credit risk of department stores and licensees in order to control its exposure in this area. The Group's trade receivable turnover days of 25 days achieved in 2014 was in line with the 25 days in 2013. At the end of December 2014, the Group's debtors ageing analysis by invoice date showed the percentage of receivables over three months old was 7.3% (3.4% in 2013) of total trade receivables.

The Group's cash and cash equivalents were deposited with major international banks.

Foreign Exchange and Interest Rate Management

The Group purchases a substantial part of its production materials and finished goods in foreign currencies. To minimise foreign-exchange risks, the Group has a hedging policy in place.

The Group evaluates interest-rate risks periodically to determine the need to hedge against adverse interest-rate movements. As the Group's interest rate exposure was expected to be limited, no hedging activities were undertaken during the reporting year.

Banking Facilities

The Group has secured adequate bank lines of approximately HK$2,565.0 million for operational contingencies and in 2014 only used a small proportion of the available facility. A total of HK$691.1 million in revolving loans, repayable within one year, were utilised, and HK$58.9 million was deployed for trade financing and bank overdrafts at year end. The undrawn facilities at year end amounted to HK$1,815.0 million.

Purchase of Convertible Promissory Note

Our continued commitment and collaboration with British Heritage Brands, Inc. ("BHB") to expand Kent & Curwen into the defined licensed territories required the purchase of a convertible promissory note issued by BHB, of which HK$77.6 million (equivalent to US$10.0 million) was taken up during 2013. A further advance of HK$19.4 million (equivalent to US$2.5 million) was made on 20 January 2015 to BHB. The timetable for making an additional advance will be determined at a later stage. Under this arrangement the Group could have an equity interest in BHB of up to 23.94% after exercising the conversion option.

Segmental Analysis

<u>Revenue</u>

The retail business continued to be the principal source of revenue for the Group. The revenue from the licensing business remained stable, while the wholesale business increased its revenue by HK$12.9 million to HK$34.7 million in 2014.

Total retail revenue for Taiwan grew by 3.0% in 2014. In Europe, retail revenue ended the year with a small decline of 1.5%. In Hong Kong & Macau, and on the Chinese Mainland, it declined by 3.6% and 4.6%, respectively.

Same-store sales were effectively flat for Taiwan, where they declined by 0.1%, and in Europe increased by 8.4%. In Hong Kong & Macau same-store sales increased by 0.5% while on the Chinese Mainland they declined by 1.3%.

A positive trend in same-store sales was recorded in the second half of 2014 in both Hong Kong & Macau, and on the Chinese Mainland, with increases of 2.0% and 2.6%, respectively.

Same-store Sales Growth	2014	2nd Half 2014	1st Half 2014	2013
Chinese Mainland	-1.3%	2.6%	-6.0%	-11.1%
Hong Kong & Macau	0.5%	2.0%	-0.3%	6.0%
Taiwan	-0.1%	-3.0%	2.9%	-2.8%
Greater China total	**-0.6%**	**1.8%**	**-3.4%**	**-5.4%**
Europe	8.4%	16.3%	0.4%	-4.3%
Group total	**0.3%**	**3.2%**	**-3.0%**	**-5.3%**

Gross profit

Gross profit margin for the Group declined to 74.1% in 2014, from 75.5% in 2013. The change was attributable to the inventory liquidation initiative.

The gross margin percentage comparison between 2014 and 2013 is distorted by movements in inventory provisions for the two years. A change in accounting estimates on the saleable value of inventories necessitated a write back of inventory provisions in 2014. The change in accounting estimates reflected the market conditions as well as our past experience with the clearance of aged inventories.

If we excluded the distortion effect of the change in accounting estimates, the Group's gross profit margin percentages for 2014 and 2013 would be 72.6% and 75.5%, respectively. The retail gross profit margins before the change in accounting estimates for the Chinese Mainland and Hong Kong & Macau in 2014 were 74.6% and 72.4% while that for Taiwan improved to 72.4%.

The segmental contributions

The segmental contributions for the Group declined to HK$330.5 million in 2014. While the segmental contributions for Taiwan and Europe improved in 2014, Hong Kong & Macau and the Chinese Mainland were affected negatively by the market conditions.

Human Resources and Training

The Group continues to invest in human resources through training and development programmes for managers and staff at all levels, including for employees reassigned as a result of our ongoing internal re-organisation. We have a leadership training programme called Trinity Elite Lessons in Leadership, from which 13 managers graduated during the year. In addition, we conducted product and customer service training programmes for frontline staff across all brands in Greater China.

At the end of 2014, the total workforce for the Group was 3,330 employees, compared with 3,699 a year earlier, a 10.0% decrease. This was mainly due to a decrease in the number of stores. Our workforce was comprised of 929 employees in Hong Kong and Macau; 2,052 on the Chinese Mainland; 179 in Taiwan, and 170 in other countries. The total staff cost for the year was HK$707.2 million compared with HK$685.5 million in 2013. The increase was mainly due to the investment in new talent.

Corporate Social Responsibility and Sustainability Initiatives

We embrace sustainability as one of our core corporate values. Since 2009 we have implemented policies, initiatives and programmes that make sustainability an integral part of our daily operations.

During the reporting year, Trinity employees in Hong Kong took part in 25 activities and contributed over 2,000 hours to corporate social responsibility and sustainability activities. Employees across the rest of Greater China made a similar contribution to initiatives in this area.

The Group continues to support a work-life balance. It encouraged staff to participate in wellness initiatives such as talks and workshops on ergonomics, acupressure massage, and gastrointestinal disease. Trinity also participated for the first time in "Movember", a global movement which raises awareness of men's health issues by encouraging the wearing of moustaches.

In July 2014, we launched a new employee assistance program, including 24-hour telephone counselling services, face-to-face consultations and other staff wellness activities.

In the community, Trinity partnered for the seventh consecutive year with Junior Achievement Hong Kong to host a "job-shadowing" day. This allows teenagers to work with our staff on a one-on-one basis giving them first-hand experience of a real-life work situation and helping them improve their work readiness.

The Group's supplier Code of Conduct was updated in 2014 to include requirements for vendors to support collective bargaining and freedom of association. Our Supplier Compliance Manual for direct suppliers clearly states that suppliers should maintain high ethical standards in the areas of anti-corruption, extortion, bribery, fraud, false declarations, counterfeiting, and insider trading.

The Group retained its membership of the Hang Seng Sustainability Benchmarking Index for the fourth consecutive year, and achieved an AA rating on the Index. We also successfully implemented a comprehensive online sustainability data management system, Credit 360, to manage group sustainability data. The system enables us to collate, consolidate, and verify sustainability data in one platform. This increases data accuracy and enhances data management and will result in the Group being better able to meet future sustainability reporting requirements.

CORPORATE GOVERNANCE

The Board and management are committed to principles of good corporate governance consistent with prudent enhancement and management of shareholder value. These principles emphasise transparency, accountability and independence.

In order to reinforce independence, accountability and responsibility, the role of the Chairman is separate from that of the Chief Executive Officer. Their respective responsibilities are clearly established and defined by the Board in writing.

The Board has established the Audit Committee, Nomination Committee and Remuneration Committee (all chaired by Independent Non-executive Director) with defined terms of reference, which are of no less exacting than those set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). All these committees comprise a majority of Independent Non-executive Directors.

Full details on the Company's corporate governance practices are set out in the Company's 2014 Annual Report.

AUDIT COMMITTEE

The Audit Committee was established on 1 January 2009 to review the Group's financial reporting, internal controls and corporate governance issues, to consider issues relating to the external auditor, and to provide advice and make relevant recommendations to the Board.

The Audit Committee met four times in 2014 (with a 100% attendance rate) to review with senior management, the Company's Corporate Governance Division ("CGD") and external auditor, the Three-Year Internal Audit Plan (2014-2016), the Group's significant internal controls, risk management, and financial matters as set out in the Audit Committee's written terms of reference and make relevant recommendations to the Board. The CGD, under the supervision of the Group Chief Compliance Officer, is responsible for performing the internal audits of the Group.

In 2014, the Committee's review covered the audit plans and findings of the CGD and external auditor, external auditor's independence, the Group's accounting principles and practices, goodwill impairment assessment, listing rules and statutory compliance, connected transactions, internal controls, risk management, financial reporting matters (including the annual and interim financial statements before recommending them to the Board for approval) and the adequacy of resources, qualification and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

The Audit Committee has reviewed the annual results for the year ended 31 December 2014.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board recognises the importance of internal controls to safeguard shareholders' interests and investments and the Group's assets, as well as to manage business risks. The Board is responsible for ensuring that the Group maintains a sound and effective system of internal controls, and for reviewing the adequacy and effectiveness of such system through the Audit Committee.

Based on the assessments made by the management, CGD and also taking into the account the results of the work conducted by the external auditor for the purpose of their audit for 2014, the Audit Committee is satisfied that:

− the internal controls and accounting systems of the Group are in place and functioning effectively and are designed to provide reasonable assurance that material assets are protected, business risks attributable to the Group are identified and monitored, material transactions are executed in accordance with management's authorisation, and the financial statements are not materially misstated and are reliable for publication;

− there are ongoing processes in place for identifying, evaluating, and managing the significant risks faced by the Group; and

− the resources, qualifications, experience, training programmes and budget of the staff of the Group's accounting and financial reporting function are adequate.

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Group has adopted stringent procedures governing Directors' securities transactions in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules. Relevant employees who are likely to possess inside information of the Group are also subject to compliance with written guidelines on no less exacting terms than the Model Code. Specific confirmation has been obtained from each Director and relevant employee on compliance with the Model Code for 2014. No incident of non-compliance by Directors and relevant employees was noted by the Company in 2014.

COMPLIANCE WITH THE CG CODE OF THE LISTING RULES

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has been in compliance with the code provisions set out in the CG Code contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year.

FINAL DIVIDEND

The Board recommended to pay to the shareholders of the Company a final dividend of 4.3 HK cents (2013: 8.5 HK cents) per share for the year ended 31 December 2014. Together with the interim dividend of 2.4 HK cents (2013: 4.5 HK cents) per share, the total dividends for the year ended 31 December 2014 amount to 6.7 HK cents (2013: 13.0 HK cents) per share.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company ("AGM") will be held on 20 May 2015. Notice of the AGM will be sent to the shareholders of the Company in due course.

RECORD DATES AND BOOK CLOSURE

– *For determining members' right to attend and vote at AGM:*

Latest time to lodge transfer documents with Share Registrar *(Note 1)*	4:30 pm, 19 May 2015
Record Date	19 May 2015

– *For determining members' entitlement to the proposed final dividend:*

Latest time to lodge transfer documents with Share Registrar *(Note 1)*	4:30 pm, 27 May 2015
Book Closure *(Note 2)* and Record Date	28 May 2015
Expected despatch date of dividend warrants	9 June 2015

Notes: 1. *The Company's Hong Kong Branch Share Registrar is Tricor Investor Services Limited, whose address is Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.*

2. *No transfer of shares will be registered on the book closure date.*

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Company at *www.trinitygroup.com* and Hong Kong Exchanges and Clearing Limited at *www.hkexnews.hk*. The 2014 Annual Report and the Notice of AGM will be despatched to the shareholders of the Company and available on the same websites on or about 16 April 2015.

By Order of the Board
Victor FUNG Kwok King
Chairman

Hong Kong, 17 March 2015

As at the date of this announcement, the Board comprises three executive directors, namely, Mr Richard Samuel COHEN, Mr Bruno LI Kwok Ho and Mr Danny LAU Sai Wing; five non-executive directors, namely, Dr Victor FUNG Kwok King, GBM, GBS, CBE, Dr William FUNG Kwok Lun, SBS, OBE, JP, Ms Sabrina FUNG Wing Yee, Mr Jean-Marc LOUBIER and Mr WONG Yat Ming; and four independent non-executive directors, namely, Mrs Eva CHENG LI Kam Fun, Mr Cassian CHEUNG Ka Sing, Mr Michael LEE Tze Hau and Mr Patrick SUN.

** For identification purposes only*