TRINITY LIMITED
利邦控股有限公司 *

(Incorporated in Bermuda with limited liability)
(Stock Code: 891)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2016

Highlights

	2016	2015
Revenue *(HK$ million)*	**890.8**	1,006.4
Gross profit *(HK$ million)*	**606.8**	711.4
Gross margin (%)	**68.1%**	70.7%
Core operating profit/(loss)* *(HK$ million)*	**(169.9)**	(118.0)
Core operating margin (%)	**-19.1%**	-11.7%
Loss attributable to shareholders *(HK$ million)*	**(200.4)**	(47.4)
Loss attributable to shareholders (%)	**-22.5%**	-4.7%
Basic loss per share *(HK cents)*	**(11.5)**	(2.7)

- Revenue decreased by 11.5%, due to the dampened consumer sentiment in Greater China.
- Core operating loss increased by 44.0%, mainly due to a reduction in gross profit of HK$104.6 million, which was partially offset by a HK$52.7 million reduction in expenses.
- Loss attributable to shareholders increased by HK$153.0 million, mainly due to:
  - a HK$51.9 million increase in core operating loss,
  - reorganisation costs of HK$22.8 million and reduction in income tax credit of HK$22.6 million in the first half of 2016, and
  - the HK$50.0 million gain in the first half of 2015 from the re-measurement of the contingent purchase consideration payable for an acquisition, did not recur this year.

* *Core operating profit/(loss) includes profit/(loss) of the retail, wholesale and licensing businesses before net finance costs, income tax, material gains or losses which are of capital nature or non-operational related and share of results of associated companies.*

Challenges continue

The pressures and challenges that have impacted Trinity Limited (the "Company") have persisted in the first half of the year and are unlikely to ease in the short term. However our determination to succeed in this difficult environment has not diminished.

In the first half of 2016, Trinity Limited and its subsidiaries (together the "Group"), along with the wider retail sector, were impacted by the subdued spending environment in Greater China, a decline in Chinese visitors to Hong Kong and Macau, and the continuing impact of the Chinese government's austerity measures.

The Group remains focused on responding to these external challenges and notable progress has been made in the past six months. This includes streamlining our business in order to optimise our store network and supply chain. A substantial internal restructuring program has also been carried out which has resulted in some reorganisation costs.

Moving forward, Trinity's key priorities under the direction of the new management team appointed in June 2016, include further consolidating our operations, creating a more efficient and effective organisation, and ensuring our portfolio of heritage brands continues to meet the demands of our core customers.

However we must acknowledge that our financial performance will continue to be affected by the macroeconomic environment in the short to medium term, and it will take time for the new management team to establish itself and implement the necessary changes.

Ultimately we are confident the overall financial position of the Group will remain sound and that the benefits of our actions will be felt in 2017 and beyond.

Focusing on Chinese consumers

Greater China will remain our key market and presents significant opportunities for growth, especially given that policy reforms outlined in the Chinese government's 15th Five Year Plan will strengthen the ongoing shift to a consumer-driven economy. Total retail sales of consumer goods in the Chinese Mainland increased by 10.6% to reach ¥30 trillion in 2015 and are expected to grow beyond ¥50 trillion in the next five years[1], while the growing middle class of affluent Chinese consumers continue to demand premium products offering both quality and value.

We are also seeing a growing preference in the Chinese Mainland for smaller-format retailers, like Trinity, because they are closer to their consumers. Trinity's core strategy to 'Target Globally, Think Locally' means the Group is well placed to respond to this new environment and ensure we continue to appeal to the growing number of Chinese consumers both at home and abroad.

Solid foundations

There is no doubt that it will take time before the premium menswear sector returns to previous levels of demand, however I am confident the Group's existing attributes, along with the initiatives already underway, will enable us to improve our performance and take advantage of opportunities in the sector.

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[1] Figures from the National Bureau of Statistics of the PRC. Source, National Academy of Economic Strategy of the Chinese Academy of Social Sciences, Blue Book of China's Commercial Sector, 2016-17.

The intrinsic value of the Group's brands, coupled with our comprehensive retail store network across Greater China, provides a solid foundation on which to further build our business. For example, Kent & Curwen's relationship with global fashion icon Mr David Beckham, as well as the new licensing arrangement with Hardy Amies, offer opportunities for the Group to reach out to new customers in Greater China.

New leadership

I would like to take this opportunity to thank the Group's outgoing Chief Executive Officer, Mr Richard Cohen, for his service to the Group over the past two years and wish him all the best in the future.

In June, I was pleased to welcome Mr Jeremy Hobbins back to Trinity as the new Chief Executive Officer. Mr Hobbins has a strong track record in restructuring consumer businesses and a deep understanding of Trinity, having previously been a Director of the Company.

The management team under his leadership already has a clear view of what is required to ensure the Group is well placed for the future. I am sure they will make significant progress toward our goals in the second half of this year.

We will continue to face challenges, however I am confident we have the right team in place to ensure the long-term success of the business, and I wish to thank our dedicated staff for their ongoing efforts to build a better future for the Group.

Victor FUNG Kwok King
Chairman
Hong Kong, 9 August 2016

CHIEF EXECUTIVE OFFICER'S OVERVIEW

Challenging Environment

My first priority, since taking up the role as Chief Executive Officer in the last month of the period under review, has been to work with the management team of the Group to review all aspects of the business and identify priority areas for the coming months.

We have identified three immediate objectives designed to improve the Group's performance. Firstly, we will continue to optimise our supply chain in order to ensure the best possible merchandise is in our stores. Secondly, we have restructured our management team to ensure clear accountability. Thirdly, we are embarking on a major cost reduction programme. The overriding goal is to simplify our business so we can better meet the needs of our core Chinese Mainland customers.

Financial Performance

The Group issued a profit warning in June 2016 and has reported an operating loss for the first half-year. This was due to dampened consumer spending in our priority markets, as well as tough macroeconomic conditions and restructuring costs.

The Trinity management team is focused on improving the performance of the Group as quickly as possible. However, we recognise the wider retail environment is likely to remain challenging in the short to medium term and do not expect to see a significant improvement in financial performance in the second half of this year, unless market conditions improve dramatically.

Proactive efficiency measures

We continue to drive efficiencies and in the first half of the year, we further consolidated our store locations down to 333 from 349 as at 31 December 2015, enabling us to better focus on the stores in our network that remain profitable.

As a result of the ongoing restructuring, including the changes at the Hong Kong manufacturing plant, the total workforce for the Group is currently 2,665, down from 2,738 at 31 December 2015. In addition, the Group has significantly reduced the headcount of senior executives and consultants, reducing expenses and creating clearer responsibilities and lines of reporting.

Investing in our future

We also continue to invest in our excellent portfolio of heritage brands to better position the Group amongst our key target customers, both at home and abroad.

Testimony to the strength of our brands, the Gieves & Hawkes' flagship store remains profitable and the current collection for Cerruti 1881 has been very well received. At Kent & Curwen, our partnership with global fashion icon Mr David Beckham is making good progress and we are working to ensure an effective launch of an impactful collection.

Furthermore, our new worldwide licensing arrangement with the established British fashion house Hardy Amies, strengthens our portfolio and offers the opportunity to appeal to consumers at a lower price point.

The first half of the year has also seen further developments in our new omni-channel and e-commerce offering, including the appointment of a dedicated senior vice president to lead this activity. In an increasingly digital age, providing greater opportunities to our consumers to engage with our brands wherever and whenever they choose will be important to our long term success.

Focusing on priorities

Our priorities for the remaining of the year are clear. We will continue to improve our manufacturing, inventory management and supply chain execution, thereby decreasing our current inventory and building our cash position. We will also ensure our cost base is under control.

Going forward, we will also do more to empower the brands to ensure we have the right products in store to meet the evolving demands of our core target Chinese Mainland consumers.

Facing the challenge head on

The management team recognises that the second half of the year will continue to present significant challenges. The underlying business remains sound and the next reporting period will see further measures to ensure the Group can limit the impact of ongoing external challenges. By focusing on securing our core business in the short term, we will position ourselves appropriately to engage with our key Chinese Mainland customers at home and when they travel internationally.

In closing, I would like to thank all our dedicated staff members for their efforts and for the warm welcome they have given me. I very much look forward to working with this team as we move the Group forward together.

Jeremy Paul Egerton HOBBINS
Chief Executive Officer
Hong Kong, 9 August 2016

The board of directors (the "Board") of Trinity Limited (the "Company") announces the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2016.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Unaudited Six months ended 30 June **2016** **HK$'000**	 2015 HK$'000
Revenue	2(a)	**890,820**	1,006,409
Cost of sales		**(284,020)**	(295,011)
Gross profit		**606,800**	711,398
Other income		**5,658**	5,690
Selling, marketing and distribution expenses		**(522,248)**	(590,646)
General and administrative expenses		**(260,129)**	(244,423)
Core operating profit/(loss)		**(169,919)**	(117,981)
Other (losses)/gains – net	4	**(454)**	2,365
Gain on remeasurement of contingent purchase consideration payable for acquisition		**-**	49,995
Reorganisation costs		**(22,780)**	-
Operating loss	3	**(193,153)**	(65,621)
Net finance costs		**(7,753)**	(6,908)
Share of (loss)/profit of associates	2(a)	**(310)**	1,740
Loss before income tax		**(201,216)**	(70,789)
Income tax	5	**826**	23,377
Loss for the period attributable to shareholders of the Company		**(200,390)**	(47,412)
Basic loss per share attributable to shareholders of the Company (expressed in HK cents per share)	6(a)	**(11.5) cents**	(2.7) cents
Diluted loss per share attributable to shareholders of the Company (expressed in HK cents per share)	6(b)	**(11.5) cents**	(2.7) cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
Loss for the period	**(200,390)**	(47,412)
Other comprehensive expense for the period		
Item that will not be reclassified subsequently to profit or loss		
Remeasurements of post employment benefit obligations	**230**	-
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of subsidiaries and associates	**(1,289)**	(9,359)
Other comprehensive expense for the period, net of tax	**(1,059)**	(9,359)
Total comprehensive expense for the period	**(201,449)**	(56,771)
Total comprehensive expense attributable to:		
- Shareholders of the Company	**(201,449)**	(56,771)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Unaudited 30 June 2016 HK$'000	Audited 31 December 2015 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**146,734**	172,175
Intangible assets		**3,290,215**	3,263,364
Investments in associates		**127,938**	125,727
Loan receivables	8	**132,197**	101,447
Derivative financial instrument	9	**6,024**	6,018
Deposits, prepayments and other receivables		**44,371**	49,897
Deferred income tax assets		**191,138**	193,091
		3,938,617	3,911,719
Current assets			
Inventories		**523,777**	591,891
Trade receivables	10	**83,061**	90,211
Deposits, prepayments and other receivables		**164,178**	190,640
Amounts due from related parties		**1,115**	949
Current income tax recoverables		**6,919**	12,212
Cash and cash equivalents (excluding bank overdrafts)		**567,223**	235,239
		1,346,273	1,121,142
Total assets		**5,284,890**	5,032,861
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital		**174,653**	174,653
Share premium		**2,376,850**	2,376,850
Reserves		**438,789**	639,095
Total equity		**2,990,292**	3,190,598
LIABILITIES			
Non-current liabilities			
Borrowing		**140,000**	160,000
Provision for long service payments		**6,427**	7,151
Retirement benefit obligations		**27,722**	29,524
Other payables and accruals		**201,934**	203,260
Contingent purchase consideration payable for acquisition		**178,825**	175,892
Deferred income tax liabilities		**308,555**	306,233
		863,463	882,060
Current liabilities			
Trade payables	11	**52,031**	70,264
Other payables and accruals		**248,065**	277,942
Amounts due to related parties		**21,582**	38,256
Current income tax liabilities		**3,759**	7,453
Borrowings		**1,105,698**	566,288
		1,431,135	960,203
Total liabilities		**2,294,598**	1,842,263
Total equity and liabilities		**5,284,890**	5,032,861

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Unaudited				
		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 2016		**174,653**	**2,376,850**	**887,043**	**(247,948)**	**3,190,598**
Comprehensive expense						
Loss for the period		**-**	**-**	**(200,390)**	**-**	**(200,390)**
Other comprehensive expense						
Remeasurements of post employment benefit obligations		**-**	**-**	**230**	**-**	**230**
Exchange differences on translation of subsidiaries and associates		**-**	**-**	**-**	**(1,289)**	**(1,289)**
Other comprehensive expense for the period, net of tax		**-**	**-**	**230**	**(1,289)**	**(1,059)**
Total comprehensive expense		**-**	**-**	**(200,160)**	**(1,289)**	**(201,449)**
Transactions with owners						
Employee share option scheme						
- value of employee services		**-**	**-**	**-**	**1,143**	**1,143**
- transfer to retained earnings		**-**	**-**	**595**	**(595)**	**-**
Total transactions with owners		**-**	**-**	**595**	**548**	**1,143**
Balance at 30 June 2016		**174,653**	**2,376,850**	**687,478**	**(248,689)**	**2,990,292**
Balance at 1 January 2015		174,653	2,376,850	1,045,076	(199,968)	3,396,611
Comprehensive expense						
Loss for the period		-	-	(47,412)	-	(47,412)
Other comprehensive expense						
Exchange differences on translation of subsidiaries and associates		-	-	-	(9,359)	(9,359)
Other comprehensive expense for the period, net of tax		-	-	-	(9,359)	(9,359)
Total comprehensive expense		-	-	(47,412)	(9,359)	(56,771)
Transactions with owners						
Employee share option scheme						
- value of employee services		-	-	-	4,647	4,647
- transfer to retained earnings		-	-	4,943	(4,943)	-
2014 final dividends paid	7(b)	-	-	(75,101)	-	(75,101)
Total transactions with owners		-	-	(70,158)	(296)	(70,454)
Balance at 30 June 2015		174,653	2,376,850	927,506	(209,623)	3,269,386

Notes:

1. Basis of preparation and accounting policies

This unaudited condensed consolidated financial information for the six months ended 30 June 2016 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2015, which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") (which includes all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations).

The accounting policies applied and used in this condensed consolidated financial information are consistent with those used and described in the annual consolidated financial statements for the year ended 31 December 2015.

Taxes on loss in the interim periods are accrued using the tax rate that would be applicable to expected total annual losses.

The Group's management assesses the performance of the operating businesses based on a measure of operating profit/(loss), referred to as core operating profit/(loss). This measurement basis includes profit/(loss) of the retail, wholesale and licensing businesses before net finance costs, income tax, material gains or losses which are of capital nature or non-operational related and share of results of associated companies.

To conform with such management's assessment, the classification of certain items on the condensed consolidated income statement for the six months ended 30 June 2016 has been changed. Management considers the change in classification can provide more relevant financial information to the users to assess the business performance through the core operating results of the Group. Core operating result is the result generated from the Group's operating businesses excluding corporate exchange gain or loss, gain on remeasurement of contingent purchase consideration payable for acquisition and reorganisation costs which are of capital nature or non-operating related. The reclassification is applied retrospectively, and hence the effect of the reclassification in the certain comparative figures in the condensed consolidated income statement for the six months ended 30 June 2015 were comprised of a decrease in other income by HK$49,995,000 which is reclassified to gain on remeasurement of contingent purchase consideration payable for acquisition.

(a) Adoption of amendments to existing standards effective in 2016

The Group has adopted the following amendments to existing standards which are mandatory for accounting periods beginning on or after 1 January 2016 and relevant to the Group:

HKAS 1 (Amendment)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 27 (Amendment)	Separate Financial Statements: Equity Method
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
Annual Improvements Project	Annual Improvements 2012-2014 Reporting Cycle

The adoption of such amendments to existing standards and minor amendments to HKAS/HKFRS under the annual improvements projects of HKICPA does not have material impact on the condensed consolidated financial statements as at and for the six months ended 30 June 2016.

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

(b) New standard and amendments to existing standards effective in 2016 but not relevant to the Group

The following new standard and amendments to existing standards are mandatory for accounting periods beginning on or after 1 January 2016 but currently not relevant to the Group:

HKAS 16 and HKAS 41 (Amendments)	Bearer Plants
HKFRS 11 (Amendment)	Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts

(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 7 (Amendment)	Statement of Cash Flows: Disclosure initiative (effective for annual periods beginning on or after 1 January 2017)
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses (effective for annual periods beginning on or after 1 January 2017)
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 date to be determined)
HKFRS 15	Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)
HKFRS 16	Leases (effective for annual periods beginning on or after 1 January 2019)

All these new standards and amendments to existing standards are effective in the financial year of 2017 or years after 2017. 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.

2. **Segment information**

The Group is principally engaged in the retailing and wholesale of premium menswear in Greater China, Singapore 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 net finance costs and income tax ("Segmental contributions") for the period. Corporate employee

2. **Segment information (Continued)**

benefit expenses and overhead, net finance costs, other income, other (losses)/gains – net, gain on remeasurement of contingent purchase consideration payable for acquisition and reorganisation costs are not allocated to segments. Inter-segment revenue are priced with reference to prices charged to external parties for similar orders. During the period, 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 period comparatives have been restated accordingly.

Segment asset consists only of inventories.

(a) Segment results

The segment results for the six months ended 30 June 2016 are as follows:

	Unaudited									
	Asia						Europe			
	HK & Macau		Chinese Mainland		Taiwan	Others				
	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Retail HK$'000	Retail HK$'000	Wholesale HK$'000	Licensing HK$'000	Total HK$'000
Total segment revenue	258,081	52,689	377,987	54,929	64,807	3,201	67,950	25,098	51,683	956,425
Inter-segment revenue	-	(50,695)	-	-	-	-	-	-	(14,910)	(65,605)
Segment revenue and revenue from external customers	258,081	1,994	377,987	54,929	64,807	3,201	67,950	25,098	36,773	890,820
Gross profit	186,298	685	271,444	19,598	42,225	2,342	39,153	8,282	36,773	606,800
Segmental contributions	(2,295)	685	(7,456)	19,511	4,404	(6,308)	(16,384)	(5,035)	32,645	19,767
Segmental contributions includes:										
Depreciation	(10,698)	-	(22,437)	(88)	(1,859)	(718)	(4,070)	(271)	(45)	(40,186)
Share of loss of associates	-	-	-	-	-	(310)	-	-	-	(310)
Segment asset as at 30 June 2016	159,172	-	264,339	-	44,885	5,722	49,659	-	-	523,777

2. Segment information (Continued)

(a) Segment results (Continued)

The segment results for the six months ended 30 June 2015 are as follows:

	Unaudited									
	Asia						Europe			
	HK & Macau		Chinese Mainland		Taiwan	Others				
	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Retail HK$'000	Retail HK$'000	Wholesale HK$'000	Licensing HK$'000	Total HK$'000
Total segment revenue	296,585	184,984	491,506	3,372	78,807	1,668	79,303	29,755	66,210	1,232,190
Inter-segment revenue	-	(182,097)	-	-	-	-	-	(24,093)	(19,591)	(225,781)
Segment revenue and revenue from external customers	296,585	2,887	491,506	3,372	78,807	1,668	79,303	5,662	46,619	1,006,409
Gross profit	220,920	896	344,584	(59)	53,193	1,292	41,968	1,985	46,619	711,398
Segmental contributions	25,980	896	(4,811)	(1,191)	9,746	(3,871)	(13,606)	(3,429)	42,499	52,213
Segmental contributions includes:										
Depreciation	(11,673)	-	(41,319)	(1,132)	(2,420)	(278)	(5,774)	(306)	(46)	(62,948)
Share of profit of associates	-	-	-	-	-	1,740	-	-	-	1,740
Segment asset as at 31 December 2015	171,020	-	323,178	-	46,826	5,111	45,756	-	-	591,891

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

	Unaudited Six months ended 30 June **2016** **HK$'000**	2015 HK$'000
Segmental contributions for reportable segments	**19,767**	52,213
Add:		
Other income	**5,658**	5,690
Gain on remeasurement of contingent purchase consideration payable for acquisition	**-**	49,995
Other (losses)/gains – net	**(454)**	2,365
Less:		
Net finance costs	**(7,753)**	(6,908)
Employee benefit expenses	**(105,182)**	(99,362)
Rental and other operating expenses	**(17,189)**	(17,516)
Depreciation and amortisation	**(6,500)**	(6,199)
Legal and professional fees	**(17,174)**	(18,900)
Product design, sourcing and related management expenses	**(27,388)**	(13,039)
Reorganisation costs	**(22,780)**	-
Other unallocated expenses	**(22,221)**	(19,128)
Total Group's loss before income tax	**(201,216)**	(70,789)

2. Segment information (Continued)

(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 analysis of revenue from external customers is as follows:

	Unaudited Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
Hong Kong & Macau	**258,195**	296,585
Chinese Mainland	**434,365**	494,878
Taiwan	**64,807**	78,807
United Kingdom	**65,385**	76,576
Other countries	**68,068**	59,563
Total	**890,820**	1,006,409

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

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

	Unaudited	Audited
	30 June	31 December
	2016	2015
	HK$'000	HK$'000
Hong Kong & Macau	**794,893**	807,984
Chinese Mainland	**789,783**	799,985
Taiwan	**80,332**	82,046
United Kingdom	**839,978**	824,979
France	**673,218**	664,950
Singapore	**310,428**	313,873
South Korea	**108,345**	105,154
Malaysia	**9,180**	8,728
Thailand	**3,101**	3,464
Total	**3,609,258**	3,611,163

3. Operating loss

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

	Unaudited Six months ended 30 June 2016 HK$'000	2015 HK$'000
Write off of inventories	**1,540**	4,181
Additional/(reversal of) provision for impairment of inventories (note (a))	**6,001**	(10,338)
Depreciation of property, plant and equipment	**45,511**	69,147
Amortisation of intangible assets	**1,175**	-
Loss on disposal of property, plant and equipment	**5,445**	4,926
Additional provision for impairment of trade receivables	**837**	631
Employee benefit expenses	**321,822**	323,050
Advertising and promotion expenses (note (b))	**56,936**	60,647
Royalty expenses	**2,042**	2,724

Notes:

(a) In 2015, the reversal of provision for impairment of inventories arose due to an increase in the estimated net realisable value of inventories after reassessment of the utilisation of available distribution channels and expected sales pattern.

(b) Advertising and promotion expenses included employee benefit expenses of HK$6,881,000 (For the six months ended 30 June 2015: HK$6,401,000) and operating lease rental expenses of HK$1,574,000 (For the six months ended 30 June 2015: HK$1,196,000).

4. Other (losses)/gains – net

	Unaudited Six months ended 30 June 2016 HK$'000	2015 HK$'000
Fair value losses on forward foreign exchange contracts	**(702)**	(485)
Net foreign exchange gains	**248**	2,850
Other (losses)/gains – net	**(454)**	2,365

5. Income tax

Hong Kong profits tax has been provided for at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the six months ended 30 June 2016. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries or regions in which the Group operates.

	Unaudited Six months ended 30 June 2016 HK$'000	2015 HK$'000
Current income tax		
- Hong Kong profits tax	**906**	2,475
- Overseas taxation	**2,293**	3,524
- Over provision in prior years	**(2,570)**	(2,852)
Deferred income tax	**(1,455)**	(26,524)
	(826)	(23,377)

6. Loss per share

(a) Basic

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

	Unaudited Six months ended 30 June	
	2016	2015
Weighted average number of ordinary shares in issue	**1,746,529,000**	1,746,529,000
Loss attributable to shareholders of the Company (HK$'000)	**(200,390)**	(47,412)
Basic loss per share (HK cents per share)	**(11.5) cents**	(2.7) cents

(b) Diluted

The calculation of the diluted loss per share is based on the loss attributable to shareholders of the Company, and the weighted average number of ordinary shares in issue during the period, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

No adjustment had been made to the basic loss per share for the six months ended 30 June 2016 and 2015 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share.

7. Dividends

(a) The Board of Directors has resolved not to declare any interim dividend for the six months ended 30 June 2016 (2015: nil).

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

	Unaudited Six months ended 30 June	
	2016	2015
	HK$'000	HK$'000
No final dividend (2015: 4.3 HK cents per ordinary share)	**-**	75,101

8. Loan receivables

(a) On 21 March 2016, the Group entered into an amended and restated convertible promissory note purchase agreement and a new loan agreement with British Heritage Brands, Inc. ("BHB"). The convertible promissory note (denominated in US dollars) carries interest at 5% per annum maturing on 31 December 2027 with a principal amount of US$15.0 million. Under the amended and restated convertible promissory note purchase agreement, the Group could have an equity interest in BHB up to 75% after exercising the conversion right exercisable from 1 April 2018 to 31 March 2019 or upon the occurrence of certain events under the provisions of the restated convertible promissory note purchase agreement.

The Group has agreed to lend to BHB a new loan up to US$9.0 million from 21 March 2016 to 31 December 2018 according to the new loan agreement. The new loan (denominated in US dollars) carries interest at 5% per annum maturing on 31 December 2018. The Group has contributed US$2.8 million to BHB for the new loan as at 30 June 2016.

On the same day, the Group entered into a put/call agreement with Heritage Global Partners, LLC ("Heritage"), the sole shareholder of BHB, which allow Heritage to put its remaining 25% interest in BHB to the Group at fair value. The put option would be exercisable between 1 April 2019 and 31 March 2024 by Heritage after the Group has become the owner of 75% of the equity interest in BHB. Heritage would grant a call option to the Group to acquire Heritage's interest in BHB at fair value. The call option would be exercisable by the Group at any time from 1 April 2024 onwards after the Group has become the owner of 75% of the equity interest in BHB.

(b) The effective interest rate of the convertible promissory note at the end of the reporting period was 5.45% (31 December 2015: 5.38%).

(c) As at 30 June 2016 and 31 December 2015, the carrying amounts of the Group's loan receivables approximated their fair values.

9. Derivative financial instrument

	Unaudited 30 June 2016 HK$'000	Audited 31 December 2015 HK$'000
Non-current assets		
Conversion right embedded in convertible promissory note	**6,024**	6,018

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 8.

10. Trade receivables

Majority of the Group's revenue are retail sales, wholesale 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. Wholesale sales are generally collectible within 30 days to 90 days from the invoice date. Licensing income is generally collectible within 120 days from the invoice date.

At 30 June 2016, the ageing analysis by invoice date of trade receivables of the Group is as follows:

	Unaudited 30 June 2016 HK$'000	Audited 31 December 2015 HK$'000
1 - 30 days	**21,402**	22,190
31 - 60 days	**12,562**	24,053
61 - 90 days	**8,108**	13,958
Over 90 days	**42,667**	30,847
	84,739	91,048
Less: provision for impairment of trade receivables	**(1,678)**	(837)
	83,061	90,211

As at 30 June 2016, the fair values of the Group's trade receivables were approximately the same as their carrying amounts.

11. Trade payables

At 30 June 2016, the ageing analysis by invoice date of the Group's trade payables is as follows:

	Unaudited 30 June 2016 HK$'000	Audited 31 December 2015 HK$'000
1 - 30 days	**31,639**	18,721
31 - 60 days	**397**	14,473
61 - 90 days	**4,833**	10,063
Over 90 days	**15,162**	27,007
	52,031	70,264

The credit period granted by creditors generally ranges from 30 days to 90 days. The carrying amounts of the Group's trade payables approximated their fair values.

DISCUSSION AND ANALYSIS

Revenue

Revenue for the first half of 2016 was HK$890.8 million, which was 11.5% lower than the same period last year. Excluding the effect of exchange rate differences, revenue decreased by 8.7%. The Group's same-stores sales decreased by 14.2%. The Group's performance has been adversely affected by the ongoing depressed state of the Hong Kong and Macau retail markets due to declining Chinese tourism and subdued local spending. This was compounded by dampened consumer sentiment in the Chinese Mainland.

Revenue by geographical location

Hong Kong & Macau

As a result of a decrease in visitors from the Chinese Mainland, retail sales in Hong Kong & Macau were HK$258.1 million, 13.0% lower compared to the same period last year, and same-store sales reflected a similar trend, with a drop of 11.9%.

Chinese Mainland

Retail sales in the Chinese Mainland were HK$378.0 million, representing a decrease of 23.1% as compared to the same period last year. The decrease was 19.5% after excluding the effect of exchange rate differences. In light of the dampened spending environment, we continued our efforts to consolidate our store network by closing unprofitable locations, delivering a net closure of 50 stores in the Chinese Mainland in 2015 and a further 19 stores within the first half 2016. Same-store sales excluding stores closed in the period fell by 16.3%.

Wholesale revenue in the Chinese Mainland increased from HK$3.4 million to HK$54.9 million.

Taiwan

Retail sentiment also remained weak in Taiwan resulting in retail sales of HK$64.8 million, representing a 17.8% decrease as compared to the same period last year. The decline in same-store sales was 18.1%.

Europe

In Europe, revenue for the first half of 2016 was HK$129.8 million, representing with a decrease of 1.3% as compared to the same period last year. We expanded the wholesale business with a new customer in Europe during the period, but this was offset by the reduction of retail revenue mainly due to the closure of an outlet and a decrease in licensing revenue.

Gross profit

The gross profit for the first half of the year was HK$606.8 million, representing a decline of 14.7% as compared to the same period last year.

The retail gross profit margin for the Chinese Mainland in 2016 improved year-on-year from 70.1% to 71.8%. The improvement was mainly a result of lower average discounts and better mark up.

The retail gross profit margins for Hong Kong & Macau and Taiwan in 2016 remained stable year-on-year, and were 72.2% and 65.2% respectively for the first half of year 2016. This is compared to 74.5% for Hong Kong & Macau and 67.5% for Taiwan in the same period in 2015.

The decrease in retail gross profit margins were partly contributed by the inventory provision. Excluding the change of inventory provisions, the retail gross profit margins for the Chinese Mainland and Hong Kong & Macau in 2016 would be 72.1% and 74.4% respectively.

In Europe, the retail gross profit margin increased from 52.9% to 57.6%.

The Asia and Europe wholesale gross margins were 35.6% and 33.0% respectively.

The gross profit margin for the reporting period was 68.1%, a 2.6 percentage points decrease. This was mainly due to the dilution effect of the rising revenue contributions from our wholesale business.

The segmental contributions

The segmental contributions for the Group were affected by market conditions. For the six months ended 30 June 2016 contributions decreased to HK$19.8 million, a 62.1% drop as compared to the same period last year. The segmental contributions of Asia and Europe were HK$8.6 million and HK$11.2 million respectively.

Other income

Other income was HK$5.7 million in the first half of 2016, which was the same in the same period last year.

Selling, marketing and distribution expenses

As a result of management's continued efforts to improve cost efficiency and streamline the store network, selling, marketing and distribution expenses decreased by 11.6% to HK$522.2 million. The total number of stores was reduced to 333 as of 30 June 2016, down from 386 stores and 349 stores as of 30 June 2015 and 31 December 2015 respectively. The selling, marketing and distribution expenses, as a percentage of revenue, were stable compared with same period last year.

General and administrative expenses

General and administrative expenses amounted to HK$260.1 million, an increase of 6.4% from the same period of last year. This was largely a result of an increase in staff costs arising from the exit of some senior management and the opening of new sourcing office in April 2015. The Group has initiated structural measures to reduce the overhead and general costs of the business. We expect these measures to have a positive impact on our cost base going forward.

Core operating profit/(loss)

The Group's core operating loss was HK$169.9 million, representing a 44.0% increase as compared to the same period last year.

Other losses – net

Other losses amounted to HK$0.5 million in the period.

Gain on remeasurement of contingent purchase consideration payable for acquisition

In the first half of 2015, the Group had a write back of HK$50.0 million due to the contingent purchase consideration payable relating to the acquisition of Gieves & Hawkes in 2012, which did not recur in 2016.

Reorganisation costs

Reorganisation costs of HK$22.8 million were incurred due to the closure of our casual wear production line at the Hong Kong factory.

Net finance costs

Net finance costs were HK$7.8 million in the first half of 2016, whereas net finance costs of HK$6.9 million were reported in the same period of 2015. The increase was primarily due to higher borrowing costs.

Share of Loss of Associates

The share of loss of associates was HK$0.3 million, representing loss sharing from our 20% interest in the Ferragamo businesses in South Korea and other countries in Southeast Asia.

Income Tax

Income tax credit was HK$0.8 million, whereas income tax credit of HK$23.4 million was reported in the same period of 2015. The decrease reflects lower recognition of income tax credits in the first half of 2016.

Loss attributable to Shareholders

The Group incurred a loss of HK$200.4 million, which translates into a loss of 11.5 HK cents per share.

Working Capital Management

Inventory control continued to be a key element in working capital management. Our continuous focus on inventory management drove the stock level down from HK$591.9 million in December 2015 to HK$523.8 million in June 2016. The inventory value was HK$510.1 million in June 2015. Inventory turnover days for the first half of 2016 were 357 days, compared with 344 days in June 2015 mainly due to decline in revenue and 416 days as at December 2015.

The Group's trade receivables as of June 2016 were HK$83.1 million, compared to HK$81.9 million and HK$90.2 million in June 2015 and December 2015 respectively. The Group's trade receivable turnover days were 18 days in 2016, compared with 26 days as at December 2015 and 24 days in the same period of 2015.

The Group's trade payables as at June 2016 were HK$52.0 million, compared to HK$63.0 million and HK$70.3 million in June 2015 and December 2015 respectively. The Group's trade payable turnover days were 39 days for the period ended 30 June 2016, which is on par with the year ended 31 December 2015 and compared with 33 days in June 2015.

Financial Position and Liquidity

Net cash outflow for the Group's operating activities was HK$138.8 million due to the decline in operating profit.

As at the end of June 2016, cash and cash equivalents were HK$567.2 million and interest bearing bank borrowings and bank overdrafts were HK$1,245.7 million. This resulted in net debt of the Group of HK$678.5 million and an 18.5% gearing ratio, equal to net debt divided by total capital. Net debt is calculated as interest bearing bank borrowings and bank overdrafts less cash and cash equivalents. Total capital is calculated as total equity, as shown in the condensed consolidated statement of financial position, plus net debt. The comparable position for June 2015 and December 2015 was 9.1% and 13.3% respectively.

Banking Facilities

The Group has secured bank lines of approximately HK$2,842.4 million for operational requirements and has utilised 45.3% of the available facility as at 30 June 2016.

A total of HK$1,191.7 million in revolving loans and fixed rate term loan (HK$1,051.7 million repayable within one year and HK$140.0 million repayable between one and five years) was utilised, and HK$94.8 million was deployed for trade financing and bank overdrafts at period end. The undrawn facilities at period end amount to HK$1,555.9 million.

Credit Risk Management

The major credit risk of the business includes trade receivables from department stores and receivables from wholesale customers and licensees. The Group has established procedures to evaluate and monitor the credit risk of department stores, wholesale customers and licensees in order to control its exposure in this area. Appropriate actions have been taken to collect the overdue receivables.

The Group's cash and cash equivalents have been 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 period.

Human Resources and Training

As at 30 June 2016, the total workforce for the Group was 2,665 employees, compared with 2,951 a year earlier, a 9.7% decrease. This headcount reduction was largely due to the closure of non-performing stores and of our casual wear production line at the Hong Kong factory.

Our workforce comprises 682 employees in Hong Kong and Macau; 1,560 in the Chinese Mainland; 174 in Taiwan; and 249 in other countries. Total staff costs were HK$321.8 million for the first half of 2016, compared to HK$323.1 million for the same period of last year. The staff cost decrease was mainly due to the reduction in staff headcount and sales commission, which was offset by the staff severance cost associated with the Hong Kong factory casual wear production line closure.

The Group offers competitive remuneration packages, share options and development opportunities to its employees. Performance- and results-based bonuses and share options are granted as a means to reward and retain a high-calibre team.

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. In addition, we conducted product and customer service training programmes for frontline staff across all brands in Greater China.

Corporate Social Responsibility and Sustainability Initiatives

Trinity recognises the importance of being a responsible corporate citizen and embraces sustainability as one of its core corporate values. The Group focuses its sustainability efforts in three main areas – Environment, Community and Employees. During the first six months of the year, our colleagues participated 1,300 times in 15 different sustainability-related activities involving social, environmental and employee wellness programs, and in so doing, contributed 1,400 hours towards good causes.

Environment: The Group will look for pragmatic opportunities to reduce our impact to the environment and set reduction targets as appropriate. We continue to raise awareness through our participation in Earth Hour, reducing consumption of paper, electricity and other resources. In support of the Hong Kong Government's fight against climate change, the Group will continue to donate all money collected from charging for plastic bags to the Plastic Shopping Bag Collaborative Platform.

Community: Gieves & Hawkes continues with its Pennies in support of the Queen Elizabeth Scholarship Trust and Walking with the Wounded in the UK, enabling customers to donate 75 pence to these charities for each in-store transaction paid electronically. The Group is committed to improving our vendor compliance scheme and endeavours to work with suppliers with similar values. We also ask our suppliers to sign our Code of Conduct and will immediately terminate contracts with suppliers found breaching zero-tolerance issues during our audit processes (e.g. employment of underage staff).

Employees: Physical and mental wellness of our staff is important to us. To this end we have continued with our health awareness enhancement workshops. In addition, our Employee Assistance Program, Smart Connect, which was implemented two years ago, will run for a third year.

CORPORATE GOVERNANCE

The Board of Directors 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 terms 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 the committees comprise a majority of Independent Non-executive Directors.

Corporate governance practices adopted by the Company during the six months ended 30 June 2016 are in line with those practices set out in the Company's 2015 Annual Report and the CG Code.

AUDIT COMMITTEE

The Audit Committee met three times to date in 2016 (with an average attendance rate of 87%) to review with senior management, the Company's Corporate Governance Division ("CGD"), and external auditor, the internal audit plan, the Group's significant internal controls, risk management, financial matters as well as policies relating to corporate governance 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 and Risk Management Officer, is responsible for performing the internal audits according to the audit plan approved by the Audit Committee. The Committee's review covers the audit plans and audit observations presented by both CGD and external auditor, the external auditor's independence, the Group's accounting principles and practices, internal controls, risk management, financial reporting matters (including the interim financial information for the six months ended 30 June 2016 before recommending them to the Board for approval), listing rules and statutory compliance requirements, connected transactions, and the adequacy of resources, qualification and experience of staff of the Group's internal audit and financial reporting function, and their training programmes and budget.

The Audit Committee has reviewed the interim results for the six months ended 30 June 2016.

RISK MANAGEMENT AND INTERNAL CONTROL

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 risk management and internal controls, and for reviewing its adequacy and effectiveness through the Audit Committee.

The Board has delegated to management the design, implementation, and ongoing monitoring of such system of risk management and internal controls covering financial, operational and compliance requirements.

The Corporate Compliance Group (comprising CGD and Corporate Secretarial Division), under the supervision of the Group Chief Compliance and Risk Management Officer, in conjunction with our external advisors reviews the adherence to relevant laws and regulations, compliance with the Listing Rules, public disclosure requirements and our standards of compliance practices.

Based on the respective assessments made by the management and the CGD, the Audit Committee considered that for the six months ended 30 June 2016:

- the risk management, internal controls and accounting systems as well as the independence of the CGD function of the Group are in place and functioning effectively. They 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 interim financial information is reliable for publication; and

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

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 the six months ended 30 June 2016. No incident of non-compliance by Directors and relevant employees was noted by the Company during the six months ended 30 June 2016.

The Company has adopted the Policy on Inside Information, and handles and disseminates inside information in accordance with the requirements of the Securities and Futures Ordinance and the Listing Rules.

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 throughout the six months ended 30 June 2016.

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 six months ended 30 June 2016.

INTERIM DIVIDEND

The Board of Directors has resolved not to declare any interim dividend for the six months ended 30 June 2016 (2015: nil).

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND INTERIM 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 2016 Interim Report will be available on the same websites, and despatched to the shareholders of the Company on or about 1 September 2016.

By Order of the Board
Victor FUNG Kwok King
Chairman

Hong Kong, 9 August 2016

As at the date of this announcement, the Board comprises two executive directors, namely, Mr Jeremy Paul Egerton HOBBINS and Mr Srinivasan PARTHASARATHY; 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*