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 2017

Highlights

	2017	2016
Revenue *(HK$ million)*	**1,701.3**	1,777.0
Gross profit *(HK$ million)*	**1,160.3**	1,213.2
Gross margin (%)	**68.2%**	68.3%
Core operating profit/(loss) [1] *(HK$ million)*	**(441.0)**	(406.5)
Loss attributable to shareholders *(HK$ million)*	**(608.3)**	(441.5)
Basic loss per share [2] (*HK cents*)	**(34.8)**	(25.3)

Notes:

1. *Core operating profit/(loss) includes profit/(loss) of the retail, wholesale and licensing businesses before net finance costs, income tax, gain on remeasurement of contingent purchase consideration payable for acquisition and material gains or losses which are of capital nature or non-operational related and share of results of associated companies*
2. *Basic loss per share = Loss attributable to shareholders / weighted average number of ordinary shares in issue*

CHAIRMAN'S STATEMENT

A promising future

On behalf of the board of directors (the "Board") of Trinity Limited (the "Company" or "Trinity", together with its subsidiaries, the "Group"), I hereby present the Company's annual results for the year ended 31 December 2017.

In November 2017, there was a significant event that I am confident will improve the Group's standing and long-term competitiveness. The Board received an approach from textile manufacturer Shandong Ruyi International Fashion Industry Investment Holding Company Limited ("Ruyi") to subscribe to new shares of the Company. At the time of writing of this statement, the proposed subscription of shares, the whitewash waiver and the increase in authorised share capital have been approved by shareholders at a Special General Meeting.

This is a major opportunity for Trinity. Ruyi has significant strength in the ready-to-wear fashion industry and its brands include Sandro, Maje and Claudie Pierlot, together with Aquascutum, a British heritage brand. Ruyi also owns Renown Incorporated in Japan from whom we have licensed D'URBAN for many years. In addition, the company is one of China's largest textile producers, with interests in cotton and wool producers in Bulgaria and Australia, as well as cloth and textile makers in Scotland.

I am certain that our relationship with Ruyi will be rewarding. It will create opportunities for Trinity to expand brands into different categories and geographies, as well as benefit from Ruyi's knowledge of the China market and their global textile, distribution and sales network. Importantly Fung Retailing Group and the Fung family will remain substantial shareholders in Trinity and be active on the Board.

Creating the right platform for growth

As well as this important development, in 2017 there were signals that the economic uncertainty that has affected Trinity over the past few years is stabilising; while the Group continued to face challenges, we believe we are seeing signs of recovery with results from the second half of the year particularly encouraging. The Group reported retail revenue growth of 1.4% in the second half of 2017 compared to the same period last year.

Overall revenue however remained down in full year 2017. Against this backdrop, the management have spent the past 12 months putting into place a number of key initiatives that establish the right platform for Trinity to return to profitability. These initiatives include restructuring our management, making cost reductions and fundamentally changing our supply chain. We are intent on building a sustainable company that is well equipped for the digital age and which meets the dynamic demands of our customers.

Our most important market is China and we are encouraged by a recent report which predicts that total retail sales in China are on track to hit just over US$5.8 trillion in 2018, equalling sales in the United States for the first time [1]. Also, the global menswear market is expected to reach US$438 billion by 2020, according to Euromonitor. The restructuring at Trinity over 2016 and 2017 places us in a good position to benefit should these economic predictions come to pass.

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[1] https://www.washingtonpost.com/news/wonk/wp/2018/01/11/the-chinese-are-now-buying-as-much-stuff-as-americans-a-game-changer-for-the-world-economy/?utm_term=.88c4b3b4f94d

We are seeing some signs of growth in Chinese Mainland, but we are not seeing the same in other markets such as Hong Kong, Macau and Taiwan. While the number of Hong Kong tourist arrivals went up 3.2% in 2017, the type of tourist has changed and their shopping motivation with the luxury goods sector the hardest hit. Chinese shoppers have evolved: they are now more comfortable buying luxury brands online or at home and have become more price conscious when shopping overseas. The intense competition in the premium menswear industry, rising landlord rents along with changes in the preferences of Chinese tourists towards a more casual look have all impacted our sales in these markets.

Preparing for a new retail era

Jeremy Hobbins as the the Group's Chief Executive since 2016 has, with the support of the Board, put Trinity on the path for future growth, including restructuring our supply chain network as well as closing our operation in Singapore. We believe these changes were necessary for the long-term health of the business.

We have also responded to the fundamental changes in menswear by repositioning the brands and changing product mixes to cater to the world's increasingly casual consumers. We are intent on having the right stores in the right places which is why we have closed underperforming stores across all brands and opened new stores in key retail destinations, such as the flagship Kent & Curwen store on Floral Street in London's Covent Garden, a prominent Gieves & Hawkes store in Plaza 66 in Shanghai and new Cerruti 1881 stores in four Galeries Lafayette locations across France including the flagship in Paris. Our next steps are to make sure our stores remain relevant to the changing needs and habits of our customers in a digital world and ensuring we are wherever they wish to shop, be that online or in bricks and mortar stores, and in key shopping destinations in Asia and Europe.

Building brands for today's world

In 2017 Trinity re-established the brand management structure in Asia. I believe this was a positive step as our heritage brands are what make Trinity distinctive. As individual brands Cerruti 1881, Gieves & Hawkes and Kent & Curwen have distinct DNA, as does D'URBAN with its unique blend of European style and Japanese artistry. Together they can cater to the most demanding of consumers, whatever he wishes to wear for whichever occasion.

e-Commerce and AI are transforming retail

The last few years have seen profound changes in retail and at Trinity, with technology transforming the way that people shop. Trinity has already initiated projects exploring how artificial intelligence can benefit our Company, in particular in relation to our supply chain, store layout and design. We are also increasingly using social media to respond to our customers' desires. The importance of e-Commerce means that building and strengthening relationships with key online platforms around the world is an absolute priority and our refreshed brand websites are also proving to be a success. I am pleased to report that in 2017 our e-Commerce sales more than doubled from 2016. One third of Chinese customers are already accustomed to purchasing luxury goods online, according to a white paper published by Tencent, Secoo, and Deloitte [2], so we must make sure we offer a cohesive omnichannel experience. Together with our well curated store network, this means we are present wherever our customers want us to be.

This reporting year has seen some challenges; however, I believe that Trinity is now in a very different position from a year ago and is set to compete with its contemporary collections, modern supply chain and increasingly strong digital capabilities. Our new relationship with Ruyi is also reason for optimism. My colleagues at Trinity are dedicated to our business and I remain deeply impressed with the commitment they show. I am confident that together we can meet the many challenges ahead. I would like to thank them and our shareholders for their support.

Victor FUNG Kwok King
Chairman
Hong Kong, 26 March 2018

[2] http://www.100ec.cn/detail--6427775.html

CHIEF EXECUTIVE OFFICER'S OVERVIEW

Foundations for Growth

The year of 2017 was a time of change at Trinity. I returned to the Company as Chief Executive Officer in June 2016, and my priority has been a programme of restructuring to ensure that our Group has strong and resilient foundations.

Men's fashion is in transition and moving towards more casual styles where competitive pricing is a key driver. China is our most important market and revenue in 2017 was comparable to 2016. Sales in other markets including Hong Kong, Macau and Taiwan were down, with retail in Hong Kong particularly challenging. Trinity brands are not alone in this as Hong Kong visitor demographics and consumer demand have changed.

Excluding the effects of foreign exchange fluctuations, retail revenue decreased by 0.3%. When we include the impact, revenue decreased by 4.3% to HK$1,701.3 million in 2017. While these figures are disappointing, I believe there are some promising signs that we have turned a corner. I am pleased to report that overall revenue was up in the second half of 2017, with retail sales up 1.4% from the second half of the prior year.

It is my view that the structural changes that we have made in 2016 and 2017 have strengthened the Group's foundations to lay the basis for a positive future. This significant restructuring was focussed on three main areas:

- Changes to a brand-focussed management structure
- Significant cost reductions
- A more efficient supply chain

Structural changes

In 2017, we appointed four brand heads in Asia to drive the business forward and accelerate the decision-making process, replicating the structure which already exists in Europe. Our brand heads in Asia have full profit and loss responsibility and oversee key functions in Asia including buying, marketing and retail execution. They are actively involved in design to ensure that during the creative process Asian consumers are top of mind. The brand teams in Europe and Asia work closely together.

Cost reductions

A raft of measures has enabled us to make significant savings. These measures have included further closures of loss-making stores. In 2017 the Group's headquarters relocated to a lower cost location in Hong Kong. During 2017, there were also a number of one-time costs aimed at reducing our long term cost base. These include expenses related to the closure of our Hong Kong factory and the reorganisation of our sourcing and termination costs. Some of these savings have been offset by costs connected with the reductions, but the benefits will be felt in the years ahead.

Building a supply chain for the future

During the reporting period, supply chain specialists Li & Fung Limited became responsible for our sourcing, manufacturing and delivery. This partnership has reaped immediate benefits: our on-time delivery rates are significantly improved, ensuring that our brands have the quality products in-store and online at the right time while simultaneously reducing our costs.

Driving the brands forward

Our heritage brands have a unique positioning in the market and dedicated management within our company. In 2017 we took steps to ensure that the brands responded to the growing trend towards casual wear in their own distinct ways. Striking the balance between the past and the present is an ongoing task.

Cerruti 1881

Embodying Italian style, in 2017 Cerruti celebrated its 50^{th} anniversary, and I am pleased to say that in the reporting period Cerruti performed particularly strongly. In order for the brand to appeal to China's rapidly growing number of menswear consumers, we are ensuring that the design team focuses on the Asia market and works closely with the Asia brand teams. Like all our brands, the designers have taken note of the increasing interest in casual wear and are responding to this trend with a shift towards more relaxed looks.

Kent & Curwen

Our heritage brand proudly epitomises the essence of British sporting life which makes the ongoing partnership with football and fashion legend David Beckham particularly relevant and valuable. In 2017 the full Beckham collection was launched in all our major markets and is now highly visible. David Beckham made a number of visits to China which generated a good deal of buzz online and awareness of the change in brand direction. Kent & Curwen is increasingly catering to a younger, increasingly fashionable clientele.

In 2017 Kent & Curwen opened ten stores globally, including an iconic flagship store on Floral Street in London's Covent Garden, a key shopping destination that capitalises on the brand's authentic British heritage. All the new stores have a younger feel in keeping with the brand's modern customers. Kent & Curwen is also attracting a greater number of consumers online using platforms including its own *www.kentandcurwen.com* site, JD.com and Tmall.com in China and Mr Porter and Farfetch in other markets.

Gieves & Hawkes

Gieves & Hawkes has been Great Britain's most prestigious tailor for over 200 years and has held Royal Warrants since 1809. We continue to be dedicated to ensuring that this historic brand remains relevant to existing clients while also attracting a new generation of consumers and are pleased to say that retail sales in the second half of the year showed good growth. In 2017 Gieves & Hawkes opened its own e-Commerce site in Asia which is seeing positive retail sales, and the product mix is gradually evolving to include a more relaxed 'country gentleman' style. However, formal wear remains at the heart of the brand, and our private tailoring service is appealing to our most important customers.

D'URBAN

Founded in 1970, Trinity's licensed brand D'URBAN is the number one suit brand in Japan and its ethos is to marry the best of European tailoring traditions with Japanese craftsmanship. In 2017 we began the process of repositioning the brand towards casual wear, adding a sports wear range and introducing more competitive price points. During the reporting year the brand marked the 20^{th} anniversary of its 'Monsoon' collection and the range, which is designed for hot and humid climates, is now available year-round. In 2017 D'URBAN's personal order service proved popular with customers finding its 'Made in Japan' brand image an appealing attribute.

Creating luxury online

Our e-Commerce platform saw significant growth in 2017 with revenue doubling from 2016. We are seeing incremental growth, although from a small base. We continue to invest in our platforms and now have an integrated team that works closely with the brands to drive the online presentation of our products. We are fully aware of the importance of e-Commerce in China, where the sector is equivalent to the combined size of the next six biggest markets. By 2025, management consultancy firm Bain & Co. estimates online will make up 25% of all luxury purchases. As it is clear that the world of luxury is going digital, we will continue to focus on being wherever the consumer wants us to be.

Strong foundations

I am confident that the significant restructuring that we have been through in 2017 puts in place a strong foundation to build upon in 2018 and beyond. There are already green shoots and we are confident our company's performance will continue to improve. Now that we have upgraded our supply chain, improved efficiency and introduced a clear brand structure, in 2018 investing in our brands and creating an outstanding customer experience in store and online is our primary focus.

Through this time of change, I would like to take this opportunity to thank our colleagues for all their loyalty and hard work. There may be more challenges ahead in 2018, but I know that we will all work closely together over the coming months to return our business to full health. I am optimistic that the company is well-placed to build and grow.

Jeremy Paul Egerton HOBBINS
Chief Executive Officer
Hong Kong, 26 March 2018

DISCUSSION AND ANALYSIS

Key Performance Indicators	2017 HK$'000	2016 HK$'000
Revenue	1,701,334	1,776,962
Gross profit	1,160,345	1,213,238
Gross margin	68.2%	68.3%
Core operating profit/(loss)	(440,993)	(406,485)
Loss attributable to shareholders	(608,348)	(441,476)
Inventories	621,473	504,940
Inventory turnover days	380	356
Trade receivables	107,607	80,663
Trade payables	131,606	62,518
Net debt [1]	1,169,379	723,678
Return on equity [2]	-25.0%	-15.0%
Gearing ratio [3]	35.0%	21.1%

Notes:

1. *Net debt = Interest bearing bank borrowings and bank overdrafts less cash and cash equivalents*
2. *Return on equity = Loss attributable to shareholders / average of opening and closing balances on total equity as shown in the consolidated statement of financial position x 100%*
3. *Gearing ratio = Net debt / total capital x 100%; total capital is calculated as total equity plus net debt*

The above Key Performance Indicators (KPIs) are the common KPIs used in the retail industry. We select and adopt the above capital structure and business KPIs to assess our business performance.

Revenue

Revenue was HK$1,701.3 million in 2017, a 4.3% decrease from 2016. Excluding the effect of exchange rate differences, retail revenue decreased by a marginal 0.3%. The full year retail sales and same-stores sales both decreased by 1.6%. The decline was primarily caused by the ongoing depressed state of the Hong Kong and Macau markets. Due to increased promotional activities and some improvement in consumer sentiment in the Chinese Mainland, the 2017 financial year was marked by contrasting halves; the Group reported retail revenue growth of 1.4% in the second half after a 4.5% decline in the first half.

Revenue by geographical location

Retail Sales

Chinese Mainland

Retail sales in the Chinese Mainland remained stable in 2017; sales were HK$737.7 million in 2017 compared to HK$739.9 million in 2016. Chinese Mainland retail revenue increased 2.3% in the second half after a 2.8% decline in the first half. Same-store sales increased by 1.1%. Excluding the effect of exchange rate differences, revenue increased by 2.3%. We continued to streamline our store network by opening in new prime locations and closing unprofitable stores; this resulted in a net closure of 24 stores in 2017 with the network now numbering 206 stores. While the consolidation slowed down our sales growth in the short term, our store profitability in the Chinese Mainland has improved.

Hong Kong & Macau

Retail sales in Hong Kong & Macau were HK$506.0 million, 3.6% lower than the previous year. Same-store sales decreased by 3.4%. This was due to changes in the preferences of Chinese Mainland tourists towards casual wear at lower price points. The keen price competition in the region also adversely affected our performance. The number of stores remained at 38.

Taiwan

Taiwan retail sales slightly declined from HK$129.4 million in 2016 to HK$127.8 million in 2017 with same-store sales down 0.8%. The Taiwan market was relatively stable but continued to suffer from heavy discounting activities. The number of stores in 2017 was 39 down from 40 in 2016.

Europe

Retail sales in Europe were HK$135.5 million, a decrease of 2.0% from 2016. However, excluding the effect of exchange rate differences, revenue increased by 3.1%. Our iconic Gieves & Hawkes flagship store in Savile Row continued to be the major source of our retail revenue in Europe.

Wholesale and licensing

Greater China

Wholesale revenue in Greater China decreased from HK$99.2 million in 2016 to HK$68.3 million in 2017. This was mainly due to lower stock clearance through a wholesale channel in the Chinese Mainland.

Europe

Europe saw wholesale revenues decrease from HK$53.3 million to HK$38.8 million and licensing revenue slightly decrease from HK$85.1 million to HK$79.0 million. The change in licensing revenue was mainly due to the termination of our Cerruti casual wear licensing agreement, which we are replacing with our own designed and sourced collection.

Gross profit

The gross profit for the Group was HK$1,160.3 million in 2017 compared to HK$1,213.2 million in the previous year, a decline of 4.4%.

The Group's gross profit margin remained stable year-on-year: 68.2% in 2017 against 68.3% in 2016.

The retail gross profit margins for Greater China slightly decreased from 70.0% to 69.4% compared to the previous year as a result of sales discounting, changes in product mix and inventory clearance.

Segmental contributions

The retail segmental contribution of the Chinese Mainland improved from HK$30.0 million to HK$44.7 million as a result of the closure of loss-making stores while retail contribution in Hong Kong, Macau and Taiwan declined as a result of lower sales and heavy discounting.

The decline in wholesale contribution from Europe was mainly due to non-recurring costs. The segmental contributions for Asia and Europe were HK$87.4 million and HK$29.8 million in 2017 compared to HK$116.4 million and HK$55.7 million in 2016 respectively.

Other income

Other income increased from HK$15.8 million in 2016 to HK$16.4 million in 2017. This was mainly due to an increase in tax subsidies received in the Chinese Mainland.

Selling, marketing and distribution expenses

Selling, marketing and distribution expenses slightly increased by 0.4% to HK$1,119.8 million compared to HK$1,114.8 million in 2016, which was primarily a result of the full year impact of costs relating to the arrangement with Seven Global LLP / David Beckham. In 2017, management continued efforts to streamline the store network. The number of stores was 297 as of 31 December 2017, down from 321 stores as of 31 December 2016.

General and administrative expenses

General and administrative expenses amounted to HK$497.9 million, versus HK$520.7 million in 2016, a 4.4% decrease. This was largely due to the reduction in staff costs arising from restructuring and the Group's continuous efforts to reduce costs.

Core operating profit/(loss)

The Group's core operating loss was HK$441.0 million, as compared to HK$406.5 million in the previous year.

Other losses - net

Net other losses amounted to HK$65.3 million in 2017 compared to HK$7.7 million in 2016. Net other losses in 2017 represented the net impact of provision for impairment of investment in British Heritage Brands, Inc. ("BHB") which comprise loan receivables, conversion right embedded in convertible promissory note and the interest receivables due from BHB offsetting by the write back on the contingent purchase consideration payable relating to the acquisition of Gieves & Hawkes. Other losses in 2016 represented the non-recurring compensation to a landlord for surrendering the indefinite lease rights for a store in France.

Restructuring costs

Restructuring costs of HK$72.8 million were incurred due to the closure of our business wear production line in Hong Kong and business operations in Singapore as well as the restructuring of our supply chain functions.

Net finance costs

Net finance costs were HK$28.5 million in 2017, whereas net finance costs of HK$19.0 million were reported in 2016. The increase was primarily due to increased bank borrowings and higher interest rates.

Income Tax

Income tax expense was HK$0.9 million, whereas an income tax expense of HK$0.6 million was reported in 2016.

Loss attributable to Shareholders

In 2017, the Group incurred a loss for the year of HK$608.3 million, which translates into a loss of 34.8 HK cents per share.

Working Capital Management

The early and on time arrival of Spring/Summer 2018 products led to an increase in inventory balance, which was HK$621.5 million in December 2017 compared to HK$504.9 million in December 2016. Inventory turnover days were 380 days as at 31 December 2017, compared to 356 days as at 31 December 2016.

The Group's trade receivables as of December 2017 were HK$107.6 million, compared to HK$80.7 million in 2016. The Group's trade receivable turnover days were 20 days in 2017, compared with 18 days in 2016.

The Group's trade payables were HK$131.6 million in 2017, compared to HK$62.5 million in 2016. The Group's trade payable turnover days were 65 days in 2017, compared to 43 days in 2016.

Financial Position and Liquidity

Net cash outflow in the Group's operating activities was HK$366.5 million mainly due to the increase in operating loss.

At the end of December 2017, cash and cash equivalents were HK$390.9 million and interest bearing bank borrowings and bank overdrafts were HK$1,560.3 million. The net debt of the Group was HK$1,169.4 million and the gearing ratio, equal to net debt divided by total capital, was 35.0%. The comparable position for June 2017 and December 2016 was 26.4% and 21.1% respectively. 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 consolidated statement of financial position, plus net debt.

As at 31 December 2017, the Group had bank lines of HK$2,305.7 million of which HK$570.0 million was in committed facilities while HK$1,735.7 million was uncommitted. The Group had utilised 68.4% of the total facilities available at the end of the year, including HK$864.4 million in revolving loans that the Group had drawn down, HK$570.0 million in committed facilities and HK$141.8 million for trade financing and bank overdrafts. The undrawn facilities at year end amounted to HK$729.5 million.

Of the loans drawn down, HK$1,024.4 million would be repayable within one year and HK$410.0 million repayable between one and five years.

On 8 November 2017, the Company conditionally agreed to allot and issue to Shandong Ruyi International Fashion Industry Investment Holding Company Limited (the "Subscriber"), and the Subscriber has conditionally agreed to subscribe for 1,846,000,000 shares respectively at the Subscription Price of HK$1.20 per share (the "Subscription").

The gross proceeds and the net proceeds from the Subscription will be approximately HK$2,215 million and HK$2,206 million respectively. It will significantly improve our cash position. It is intended that the net proceeds from the Subscription will be utilised to grow Trinity's business, fund possible acquisitions, supplement general working capital and adjust the capital structure.

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 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.

Human Resources and Training

As at 31 December 2017, the total workforce for the Group was 2,283 employees, compared with 2,633 a year earlier, a 13.3% decrease. This reduction in headcount was largely due to the closure of non-performing stores and our business wear production line at the Hong Kong factory and the restructuring of the Group's sourcing.

Our workforce comprises 474 employees in Hong Kong and Macau, 1,412 in the Chinese Mainland, 175 in Taiwan and 222 in other countries. Total staff costs were HK$593.4 million compared with HK$616.1 million in 2016. The decrease in staff costs was mainly caused by the reduction in staff headcount associated with the restructuring of the Group's sourcing function and the closure of the Hong Kong business wear production line in 2017.

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.

Cultivating our highly skilled workforce and supporting employees' long-term career goals is integral to sustaining and strengthening our economic performance. The Group offers a wide array of professional development programmes, from leadership training to seasonal product training. Our Study Sponsorship Policy is one of our keystone development programmes. This policy encourages staff to build upon their existing skill sets by granting sponsorship to support external job-related training and studies. It covers a wide range of external training, including courses, seminars, conferences, workshops, skills training, experiential learning and experience sharing sessions.

Relationships with Suppliers and Customers

The Group aims to develop long-term relationships with suppliers under a fair and open competition environment. We maintain the highest ethical standards in our supplier evaluation process. The contracting of services and the purchase of goods are based solely on need, quality and price. This ensures compliance with procurement policies and fosters positive and open competition. It also assures high product quality to gain the confidence of customers, suppliers and the public.

The Group aims to provide customers with the highest quality products at fair prices which allow the Group a reasonable profit in relation to the value provided.

The Group provides responsive customer service to maintain customer satisfaction. Customers have access to information about the operation and development of the Group through the Company's website and social media platforms.

Sustainability

Trinity staff continued to participate in meaningful community events throughout 2017. Wellness programmes were designed to prepare our staff to be more resilient and cope with change. In 2017, Trinity employees participated 1,645 times in a total of 74 events across the Greater China region, and invested a total of 1,325 hours in community service.

Our environmental policy established in 2012 sets out our commitment to fulfilling the requirements of local and international environmental and related laws and regulations and to protecting the environment. This applies to all areas of our operations and practices. As such, closure of the remaining factory and relocation of our Hong Kong Headquarters inevitably generated redundant materials for disposal. In order to minimise our impact to the environment, we reused and recycled where possible. We reused furniture from the Fung Group and preserved existing fixtures and fittings in the new location where possible. Trinity's surplus furniture was also reused by other Fung Group companies. We delivered unneeded books, reusable consumables and electrical appliances from our office relocation to NGO partners to ensure these items can be reused by people in need.

We have expanded our data collection coverage to Taiwan, the Chinese Mainland and the United Kingdom. This means we have deeper understanding of resource usage, allowing us to more effectively manage consumption, and be better prepared for the implementation of the Hong Kong ESG (Environmental, Social, and Governance) reporting requirements. Trinity also joined the CLP Green Plus Energy Billboard, an online energy benchmarking tool in Hong Kong, to monitor our retail store energy consumption in the CLP coverage area. By establishing deeper understanding of participating stores' electricity consumption patterns, we will be able to set improvement targets, if required.

We outsource our production to Li & Fung Limited who have a system in place to ensure suppliers are socially compliant. It is our policy to work only with suppliers who comply with our 'zero tolerance' policy towards social issues. We have also introduced a new policy on non-acceptance of fur from endangered species, and of mulesing within our supply chain management system. This policy required our suppliers to adopt and implement highly practical and commercially viable standards on animal welfare across our source of supply from the end of 2017. It is expected that a step by step pragmatic approach will be adopted in implementing this policy, and we do not have any illusions that this can be achieved without challenges. However, it is our belief that having a policy in place is a first step in paving the way for more sustainable products in the future.

2017 ANNUAL RESULTS

The Board of Directors (the "Board") of Trinity Limited (the "Company") announces 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 2017 and the audited consolidated statement of financial position of the Group as at 31 December 2017 together with the comparative figures in 2016. The annual results have been reviewed by the Company's audit committee and agreed by the Company's external auditor.

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2017

	Note	**2017 HK$'000**	2016 HK$'000
Revenue	2(a)	**1,701,334**	1,776,962
Cost of sales		**(540,989)**	(563,724)
Gross profit		**1,160,345**	1,213,238
Other income	4	**16,375**	15,769
Selling, marketing and distribution expenses		**(1,119,780)**	(1,114,783)
General and administrative expenses		**(497,933)**	(520,709)
Core operating profit/(loss)		**(440,993)**	(406,485)
Other losses - net	5	**(65,258)**	(7,731)
Gain on disposal of investments in associates		**-**	16,514
Restructuring costs	3	**(72,752)**	(23,106)
Operating loss	3	**(579,003)**	(420,808)
Net finance costs	6	**(28,455)**	(19,026)
Share of loss of associates		**-**	(1,076)
Loss before income tax		**(607,458)**	(440,910)
Income tax	7	**(890)**	(566)
Loss for the year attributable to shareholders of the Company		**(608,348)**	(441,476)
Basic loss per share attributable to shareholders of the Company during the year (expressed in HK cents per share)	8(a)	**(34.8) cents**	(25.3) cents
Diluted loss per share attributable to shareholders of the Company during the year (expressed in HK cents per share)	8(b)	**(34.8) cents**	(25.3) cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2017

	2017	2016
	HK$'000	HK$'000
Loss for the year	**(608,348)**	(441,476)
Other comprehensive expenses		
Item that will not be reclassified subsequently to profit or loss		
Remeasurements of post employment benefit obligations	**(3,544)**	1,622
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of subsidiaries and associates	**76,708**	(47,545)
Exchange differences realised upon disposal of investments in associates	**-**	(2,747)
Other comprehensive income/(expenses) for the year, net of tax	**73,164**	(48,670)
Total comprehensive expenses for the year	**(535,184)**	(490,146)
Total comprehensive expenses attributable to:		
- Shareholders of the Company	**(535,184)**	(490,146)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

	Note	31 December 2017 HK$'000	31 December 2016 HK$'000
Non-current assets			
Property, plant and equipment		**130,293**	150,394
Intangible assets		**3,226,709**	3,252,541
Loan receivables	10	**-**	142,225
Derivative financial instruments	11	**-**	6,022
Deposits, prepayments and other receivables		**46,622**	45,345
Deferred income tax assets		**208,845**	193,603
		3,612,469	3,790,130
Current assets			
Inventories		**621,473**	504,940
Trade receivables	12	**107,607**	80,663
Derivative financial instruments	11	**890**	-
Deposits, prepayments and other receivables		**90,054**	100,899
Amounts due from related parties		**3,661**	3,379
Current income tax recoverables		**1,995**	2,201
Cash and cash equivalents (excluding bank overdrafts)		**390,888**	580,574
		1,216,568	1,272,656
Total assets		**4,829,037**	5,062,786
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		**(383,727)**	149,457
Total equity		**2,167,776**	2,700,960
LIABILITIES			
Non-current liabilities			
Borrowings		**407,132**	565,579
Provision for long service payments		**768**	6,309
Retirement benefit obligations		**24,760**	24,183
Other payables and accruals		**133,437**	188,702
Contingent purchase consideration payable for acquisition		**68,099**	181,758
Deferred income tax liabilities		**296,499**	287,790
		930,695	1,254,321
Current liabilities			
Trade payables	13	**131,606**	62,518
Other payables and accruals		**398,049**	287,283
Derivative financial instruments	11	**-**	3,306
Amounts due to related parties		**36,702**	7,962
Current income tax liabilities		**11,074**	7,763
Borrowings		**1,153,135**	738,673
		1,730,566	1,107,505
Total liabilities		**2,661,261**	2,361,826
Total equity and liabilities		**4,829,037**	5,062,786

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2017

	Attributable to shareholders of the Company				
	Share Capital HK$'000	**Share premium HK$'000**	**Retained earnings/ (Accumulated losses) HK$'000**	**Other reserves HK$'000**	**Total HK$'000**
Balance at 1 January 2017	**174,653**	**2,376,850**	**444,779**	**(295,322)**	**2,700,960**
Comprehensive expense					
Loss for the year	**-**	**-**	**(608,348)**	**-**	**(608,348)**
Other comprehensive (expenses)/ income					
Remeasurements of post employment benefit obligations	-	**-**	**(3,544)**	**-**	**(3,544)**
Exchange differences on translation of subsidiaries	-	**-**	**-**	**76,708**	**76,708**
Other comprehensive (expenses)/income for the year, net of tax	-	**-**	**(3,544)**	**76,708**	**73,164**
Total comprehensive (expenses)/ income	**-**	**-**	**(611,892)**	**76,708**	**(535,184)**
Transactions with owners					
Employee share option scheme					
- value of employee services	**-**	**-**	**-**	**2,000**	**2,000**
- transfer to retained earnings	**-**	**-**	**3,185**	**(3,185)**	**-**
Transfer from retained earnings	**-**	**-**	**(2,535)**	**2,535**	**-**
Total transactions with owners	**-**	**-**	**650**	**1,350**	**2,000**
Balance at 31 December 2017	**174,653**	**2,376,850**	**(166,463)**	**(217,264)**	**2,167,776**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the year ended 31 December 2017

	Attributable to shareholders of the Company				
	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 year	-	-	(441,476)	-	(441,476)
Other comprehensive expenses					
Remeasurements of post employment benefit obligations	-	-	1,622	-	1,622
Exchange differences on translation of subsidiaries and associates	-	-	-	(47,545)	(47,545)
Exchange differences realised upon disposal of investments in associates	-	-	-	(2,747)	(2,747)
Other comprehensive expenses for the year, net of tax	-	-	1,622	(50,292)	(48,670)
Total comprehensive expenses	-	-	(439,854)	(50,292)	(490,146)
Transactions with owners					
Employee share option scheme					
- value of employee services	-	-	-	508	508
- transfer to retained earnings	-	-	2,888	(2,888)	-
Transfer from retained earnings	-	-	(7,842)	7,842	-
Transfer of reserve upon disposal of investments in associates	-	-	2,544	(2,544)	-
Total transactions with owners	-	-	(2,410)	2,918	508
Balance at 31 December 2016	174,653	2,376,850	444,779	(295,322)	2,700,960

Notes:

1. Basis of preparation and accounting policies

The consolidated financial statements 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) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance Cap 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities including derivative financial instruments and contingent purchase consideration payable for acquisition, which are carried at fair values.

At 31 December 2017, the Group's current liabilities exceeded its current assets by HK$514 million. Taking into account the unutilised banking facilities of HK$730 million as at 31 December 2017, the Group has a reasonable expectation that it has adequate resources to meet its liabilities and commitments as and when they fall due and to continue in operational existence for the foreseeable future. The proposed new shares subscription, as disclosed in Note 14 to this announcement, will also significantly improve the Group's financial position. Accordingly, it continues to adopt the going concern basis in preparing the consolidated financial statements.

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.

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, gain on remeasurement of contingent purchase consideration payable for acquisition and 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 consolidated income statement for the year ended 31 December 2017 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. The reclassification is applied retrospectively, and hence the effect of the reclassification in the certain comparative figures in the consolidated income statement for the year ended 31 December 2016 were comprised of a decrease in other operating income by HK$2,294,000 which is reclassified to general and administrative expenses.

1. Basis of preparation and accounting policies

(a) Adoption of amendments to existing standards effective in 2017

The Group has adopted the following amendments to existing standards which are mandatory for accounting periods beginning on or after 1 January 2017 and relevant to the Group:

HKAS 7 (Amendment)	Statement of Cash Flows: Disclosure Initiative
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 (Amendment)	Disclosure of Interests in Other Entities

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.

The amendments to HKAS 7 require disclosure of changes in liabilities arising from financing activities, a reconciliation between the opening and closing balances for liabilities arising from financing activities is presented in notes to the consolidated statement of cash flows of the financial statements.

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

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

HKAS 28 (2011) (Amendment)	Investments in Associates and Joint Ventures (effective for annual periods beginning on or after 1 January 2019)
HKAS 40 (Amendment)	Investment Property: Transfers of Investment Property (effective for annual periods beginning on or after 1 January 2018)
HKFRS 2 (Amendment)	Share-based Payment: Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018)
HKFRS 4 (Amendment)	Insurance Contracts (effective for annual periods beginning on or after 1 January 2018)
HKFRS 9 (2014)	Financial Instruments (effective for annual periods beginning on or after 1 January 2018)
HKFRS 9 (2014) (Amendment)	Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 January 2019)
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)
HKFRS 17	Insurance Contracts (effective for annual periods beginning on or after 1 January 2021)

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

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

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

HK (IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration (effective for annual periods beginning on or after 1 January 2018)
HK (IFRIC)-Int 23	Uncertainty over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019)
Annual Improvements Project	Annual Improvements 2014-2016 Cycle (effective for annual periods beginning on or after 1 January 2018)
Annual Improvements Project	Annual Improvements 2015-2017 Cycle (effective for annual periods beginning on or after 1 January 2019)

All these new standards, amendments and interpretations to existing standards are effective in the financial year of 2018 or years after 2018. The Group is in the process of making an assessment of the impact of these new standards, amendments and interpretations in the period of initial application. The following describes the key changes and some aspects of the new standards which may have a significant impact on the consolidated financial statements.

Key changes and Impact of standards issued but not yet applied by the Group:

HKFRS 9 (2014), Financial Instruments

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, Financial Instruments: Recognition and Measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities. The Group has decided not to adopt HKFRS 9 until it becomes mandatory on 1 January 2018.

Expected impacts of the new requirements on the Group's financial statements are as follows:

(i) Classification and measurement

Based on preliminary assessment, the Group expects that the adoption of HKFRS 9 will affect Group's classification and measurement of the financial assets, including the convertible promissory note. The Group expects that the convertible promissory note will not be bifurcated into loan receivable and derivative financial instrument in accordance with the Group's policies set out in Note 3.10 and Note 3.11 to annual report, instead the entire convertible promissory note will be classified as fair value through profit and loss (FVTPL) upon adoption of HKFRS 9. The impacts on the Group's financial results and position upon the adoption of HKFRS 9 are not expected to be material.

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

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

HKFRS 9 (2014), Financial Instruments (Continued)

Expected impacts of the new requirements on the Group's financial statements are as follows: (Continued)

(ii) Impairment

This new impairment model may result in an earlier recognition of credit losses on the Group's trade receivables and other financial assets. However, a more detailed analysis is required to determine the extent of the impact.

(iii) Hedging

The Group expects that it will not adopt hedge accounting in near periods and therefore it may not have any impact on the Group upon the adoption of HKFRS 9.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. The Group will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard and that comparatives will not be restated.

HKFRS 15, Revenue from Contracts with Customers

HKFRS 15 will replace HKAS 18, Revenue and HKAS 11, Construction Contracts and related interpretations. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Group is currently assessing the impact of the adoption of the new standard and has identified the following area which is expected to be affected:

Accounting for the customer loyalty programme – HKFRS 15 requires that the total consideration received must be allocated to each performance obligation based on relative stand-alone selling prices rather than based on the residual value method. This will result in higher amounts being allocated to the deferred revenue and result in later recognition of a portion of the revenue. The Group estimates that the Group's net assets will be impacted, deferred revenue will increase and the loss for the year will increase. However, a more detailed analysis is required to determine the extent of the impact. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018.

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

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

HKFRS 16, Leases

HKFRS 16 requires almost all leases of lessees to be recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low value leases. The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. An asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the income statement over the period of the lease. As at the reporting date, the Group has non-cancellable operating lease commitments of HK$669,142,000. The Group is in the process of assessing to what extent these operating lease commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's loss for the year and classification of cash flows.

HKFRS 16 is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group decided not to early adopt HKFRS 16 before its effective date.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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 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 year. 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.

(a) Segment results

The segment results for the year ended 31 December 2017 are as follows:

	Asia						Europe			
	HK & Macau		Chinese Mainland		Taiwan	Others				
	Retail	Wholesale	Retail	Wholesale	Retail	Retail	Retail	Wholesale	Licensing	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total segment revenue	505,982	408,984	737,656	68,331	127,775	8,259	135,482	39,897	120,201	2,152,567
Inter-segment revenue	-	(408,968)	-	-	-	-	-	(1,083)	(41,182)	(451,233)
Revenue from external customers	505,982	16	737,656	68,331	127,775	8,259	135,482	38,814	79,019	1,701,334
Gross profit	351,723	11	518,107	40,041	81,449	5,515	69,998	14,482	79,019	1,160,345
Segmental contributions	8,551	11	44,725	40,041	6,395	(12,309)	(20,308)	(22,624)	72,710	117,192
Segmental contributions includes:										
Depreciation	(15,196)	-	(37,367)	-	(4,293)	(1,172)	(11,205)	(683)	(50)	(69,966)
(Additional provision for)/reversal of impairment of property, plant and equipment	(4,505)	-	1,310	-	(1)	-	(5,675)	-	-	(8,871)
Segment asset	187,253	-	297,646	-	65,128	2,268	69,178	-	-	621,473

2. Segment information (Continued)

(a) Segment results (Continued)

The segment results for the year ended 31 December 2016 are as follows:

	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	525,016	452,861	739,879	95,653	129,406	6,923	138,204	53,266	118,101	2,259,309
Inter-segment revenue	-	(449,355)	-	-	-	-	-	-	(32,992)	(482,347)
Revenue from external customers	525,016	3,506	739,879	95,653	129,406	6,923	138,204	53,266	85,109	1,776,962
Gross profit	372,560	975	518,792	42,892	85,301	4,828	76,867	25,914	85,109	1,213,238
Segmental contributions	40,808	975	30,039	42,746	14,161	(12,306)	176	(5,706)	61,240	172,133
Segmental contributions includes:										
Depreciation	(18,694)	-	(44,287)	(146)	(3,474)	(1,281)	(8,425)	(548)	(63)	(76,918)
(Additional provision for)/reversal of impairment of property, plant and equipment	(3,117)	-	692	-	(4)	-	-	-	-	(2,429)
Write off of trade receivables	-	(11)	-	-	-	-	-	-	(15,175)	(15,186)
Share of loss of associates	-	-	-	-	-	(1,076)	-	-	-	(1,076)
Segment asset	144,902	-	252,012	-	53,315	6,213	48,498	-	-	504,940

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

	2017 HK$'000	2016 HK$'000
Segmental contributions for reportable segments	**117,192**	172,133
Add:		
Other income (Note 4)	**16,375**	15,769
Gain on disposal of investments in associates	**-**	16,514
Less:		
Net finance costs (Note 6)	**(28,455)**	(19,026)
Other losses - net (Note 5)	**(65,258)**	(7,731)
Employee benefit expenses	**(195,121)**	(247,486)
Rental and other operating expenses	**(44,858)**	(49,313)
Depreciation and amortisation	**(66,924)**	(41,929)
Advertising and promotion expenses	**(117,315)**	(119,487)
Legal and professional fees	**(12,330)**	(19,694)
Product design, supply chain and related management expenses	**(41,035)**	(79,505)
Restructuring costs	**(72,752)**	(23,106)
Other unallocated expenses	**(96,977)**	(38,049)
Total Group's loss before income tax	**(607,458)**	(440,910)

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 ("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:

	2017	2016
	HK$'000	HK$'000
Hong Kong & Macau	**505,998**	525,574
Chinese Mainland	**807,496**	838,494
Taiwan	**127,775**	129,406
United Kingdom	**140,445**	145,529
Other countries	**119,620**	137,959
Total	**1,701,334**	1,776,962

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

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

	2017	2016
	HK$'000	HK$'000
Hong Kong & Macau	**699,811**	765,045
Chinese Mainland	**798,378**	799,897
Taiwan	**84,445**	81,924
United Kingdom	**836,314**	838,870
France	**684,387**	666,375
Singapore	**300,289**	296,169
Total	**3,403,624**	3,448,280

3. Operating loss

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

	2017 **HK$'000**	2016 HK$'000
Cost of inventories	**533,510**	552,971
Write off of inventories and additional provision for impairment of inventories (note (a))	**7,479**	10,753
Employee benefit expenses	**593,357**	616,060
Operating lease rental expenses		
- minimum lease payment	**329,692**	345,353
- contingent rents	**127,536**	137,531
Provision for impairment of loan receivables	**170,565**	-
Advertising and promotion expenses (note (b))	**135,328**	136,920
Restructuring costs (note (c))	**72,752**	23,106
Product design, supply chain and related management expenses	**41,035**	79,505
Depreciation of property, plant and equipment	**79,946**	89,132
Amortisation of intangible assets	**56,944**	29,715
Provision for impairment of property, plant and equipment	**8,871**	2,429
Loss on disposal of property, plant and equipment – net	**11,223**	6,307
Provision for impairment of trade receivables - net	**5,928**	1,859
Write off of trade receivables	**-**	15,186
Contingent royalty expenses	**4,121**	4,032
Fair value (gains)/losses on forward foreign exchange contracts	**(4,196)**	3,306
Net foreign exchange losses/(gains)	**25,051**	(5,600)

Notes:

(a) The additional provision for impairment of inventories arose due to a decrease 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 and operating lease rental expenses of HK$15,090,000 (2016: HK$14,372,000) and HK$2,923,000 (2016: HK$3,061,000).

(c) Restructuring costs relating to closure of business wear production line (2016: casual wear production line) at the Hong Kong factory, closure of stores in Singapore and the associated restructuring of sourcing functions included employee benefit expenses, reinstatement costs, loss on disposal of property, plant and equipment and other costs of HK$26,627,000 (2016: HK$12,276,000), HK$5,796,000 (2016: HK$2,053,000), HK$9,685,000 (2016: HK$4,228,000) and HK$30,644,000 (2016: HK$4,549,000).

3. Operating loss (Continued)

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

	2017 **HK$'000**	2016 HK$'000
Audit services	**5,972**	5,856
Non-audit services		
- taxation services	**1,053**	1,393
- other services	**416**	396
	7,441	7,645

Note: HK$5,956,000 (2016: HK$5,839,000) of the audit services fees and HK$1,469,000 (2016: HK$1,789,000) of non-audit services fees are payable to the Company's auditor.

4. Other income

	2017 **HK$'000**	2016 HK$'000
Subsidy income	**6,660**	3,921
Rental income from third parties	**2,684**	3,405
Rental income from related parties	**144**	170
Management fee income from related parties	**2,987**	606
Claims received	**1,586**	1,108
Sales commission	**-**	360
Others	**2,314**	6,199
	16,375	15,769

5. Other losses - net

	2017 **HK$'000**	2016 HK$'000
Compensation expense	**-**	(7,731)
Provision for impairment of loan receivables and remeasurement loss on derivative	**(176,636)**	-
Gain on remeasurement of contingent purchase consideration payable for acquisition	**119,721**	-
Other	**(8,343)**	-
	(65,258)	(7,731)

6. Net finance costs

	2017 **HK$'000**	2016 HK$'000
Finance costs		
- Interest expenses on bank borrowings and overdrafts	**(32,937)**	(21,391)
- Notional interest expenses on contingent purchase consideration payable for acquisition	**(6,062)**	(5,866)
	(38,999)	(27,257)
Finance income		
- Interest income on bank deposits	**1,732**	1,183
- Interest income on loan receivables	**8,812**	7,048
	10,544	8,231
Net finance costs	**(28,455)**	(19,026)

7. Income tax

Hong Kong profits tax has been provided for at the rate of 16.5% (2016: 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.

	2017 **HK$'000**	2016 HK$'000
Current income tax		
- Hong Kong profits tax	**1,218**	1,834
- Overseas taxation	**12,418**	21,691
- Over provision in prior years	**(2,696)**	(2,560)
Deferred income tax	**(10,050)**	(20,399)
	890	566

8. 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 year.

	2017	2016
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)	**(608,348)**	(441,476)
Basic loss per share (HK cents per share)	**(34.8) cents**	(25.3) cents

8. Loss per share (Continued)

(b) Diluted

The calculation of 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 year, 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 year ended 31 December 2017 and 2016 in respect of a dilution as the impact of the share options outstanding had an anti-dilutive effect on the basic loss per share.

9. Dividends

The Board does not recommend the payment of any final dividend for the year of 2017 (2016: nil).

10. Loan receivables

(a) The loan receivables consist of a convertible promissory note purchase agreement and loan agreement with BHB.

The investment was intended to leverage on the strength of the support from BHB to develop the US market. However, the development in US was not up to the Group's expectations and the Management considered the recoverability risk to be high. Consequently, full provision of impairment was recognised for the outstanding note and loan.

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 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 a separate 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.

Besides, the Group has agreed to lend to BHB a loan up to US$9.0 million. The loan (denominated in US dollars) carries interest at 5% per annum maturing on 31 December 2018. The Group has contributed US$7.5 million to BHB for the loan as at 31 December 2017.

(b) The effective interest rate of the convertible promissory note at the end of reporting period was 5.45% (2016: 5.45%).

(c) As at 31 December 2017 and 2016, the carrying amount of the Group's loan receivables approximated their fair values.

11. Derivative financial instruments

	2017 HK$'000	2016 HK$'000
Non-current assets		
Conversion right embedded in convertible promissory note	**-**	6,022
Current assets		
Conversion right embedded in convertible promissory note	**-**	-
Forward exchange contracts	**890**	-
	890	-
Current liabilities		
Forward exchange contracts	**-**	3,306

As at 31 December 2017 and 2016, the carrying amount of the Group's derivative financial instruments approximated their fair values.

12. Trade receivables

	2017 HK$'000	2016 HK$'000
Trade receivables	**116,483**	83,229
Less: provision for impairment of trade receivables	**(8,876)**	(2,566)
Trade receivables – net	**107,607**	80,663

Majority of the Group's revenue are retail sales, wholesale sales and licensing income. Retail sales are mainly 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. The ageing analysis by invoice date of trade receivables of the Group is as follows:

	2017 HK$'000	2016 HK$'000
1 - 30 days	**53,534**	38,431
31 - 60 days	**29,467**	22,589
61 - 90 days	**4,941**	5,512
Over 90 days	**28,541**	16,697
	116,483	83,229

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

13. Trade payables

	2017 **HK$'000**	2016 HK$'000
Trade payables	**131,606**	62,518

As at 31 December 2017 and 2016, 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:

	2017 **HK$'000**	2016 HK$'000
1 - 30 days	**53,031**	33,204
31 - 60 days	**49,999**	12,090
61 - 90 days	**14,126**	8,015
Over 90 days	**14,450**	9,209
	131,606	62,518

14. Events after the reporting period

Termination of Hardy Amies licensing agreements

On 1 April 2016, the Group entered into licence agreements with Hardy Amies London Limited ("HALL") and Hardy Amies (International) Pte Limited ("HA Singapore") for a term starting from 1 April 2016 and ending 31 December 2021 ("Hardy Amies licensing agreements"). Under the terms of the respective licence agreements, each of HALL and HA Singapore granted to the Group, among other things, the right to use the HARDY AMIES trademarks in the design, manufacture, distribution and retail of certain products under the "Hardy Amies" brand.

On 15 March 2018, the Group terminated the aforesaid agreements with no further compensation.

Subscription of New Shares

On 8 November 2017, the Company conditionally agreed to allot and issue to Shandong Ruyi International Fashion Industry Investment Holding Company Limited (the "Subscriber"), and the Subscriber has conditionally agreed to subscribe for 1,846,000,000 Shares respectively at the Subscription Price of HK$1.20 per Share (the "Subscription"). As at 26 March 2018, the transaction is pending completion.

The gross proceeds and the net proceeds, after certain transaction costs, from the Subscription will be approximately HK$2,215 million and HK$2,206 million respectively. It is intended that the net proceeds from the Subscription will be utilised for future investments, working capital and partial settlement of the bank borrowings.

CORPORATE GOVERNANCE

The Board and management are committed to principles of good corporate governance consistent with prudent management and enhancement 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 consistent with the principles 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 2017 Annual Report.

AUDIT COMMITTEE

The Audit Committee was established on 1 January 2009 to review the Group's financial information, risk management, internal controls and financial reporting systems, corporate governance matters, the Group's relationship with external auditor, and provide advice and make relevant recommendations to the Board.

The Audit Committee met four times in 2017 (an attendance rate of 100%) to consider and 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, and the 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 audit according to the audit plan approved by the Audit Committee.

In 2017, the Committee's review covered the audit plans and reports from CGD and external auditor, external auditor's independence, the Group's accounting principles and practices, internal controls, risk management, financial reporting matters (including the annual and interim financial statements before recommending them to the Board for approval), listing rules and regulatory compliance, material 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 annual results for the year ended 31 December 2017.

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 evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objective. It is also responsible for ensuring that the Group maintains a sound and effective system of risk management and internal controls, and for reviewing the adequacy and effectiveness of such system through the Audit Committee.

The CGD independently reviews the risk management and internal controls processes and evaluates their adequacy, effectiveness, and compliance. The Audit Committee reviews and endorses the execution of the CGD Internal Audit Plan that is strategically linked to the Group's Business Plan.

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 2017, the Audit Committee is satisfied that:

− the risk management, internal controls systems as well as the internal audit 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 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 internal audit and financial reporting functions 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 Directors and relevant employees on compliance with the Model Code for 2017. No incident of non-compliance by Directors and relevant employees was noted by the Company in 2017.

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 complied with the code provisions set out in the CG Code throughout the year ended 31 December 2017.

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 does not recommend the payment of any final dividend for the year ended 31 December 2017 (2016: nil).

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company ("AGM") will be held at Ground Floor, Hong Kong Spinners Industrial Building, Phases I & II, 800 Cheung Sha Wan Road, Kowloon, Hong Kong on Thursday, 17 May 2018 at 11:30 am.

The record date for determining members' right to attend and vote at the AGM is Friday, 11 May 2018. Members who are entitled to attend and vote at the AGM are those whose names appear on the Register of Members of the Company as at the close of business on Friday, 11 May 2018. In order to qualify for attending and voting at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration no later than 4:30 pm on Friday, 11 May 2018.

Notice of AGM will be available on the websites of the Company at *www.trinitygroup.com* and Hong Kong Exchanges and Clearing Limited at *www.hkexnews.hk*, and despatched to the shareholders of the Company in due course.

By Order of the Board
Victor FUNG Kwok King
Chairman

Hong Kong, 26 March 2018

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