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 2010

Highlights

	2010	2009	change
Continuing Operations:			
Revenue *(HK$ million)*	**925**	768	20.3%
Gross profit *(HK$ million)*	**701**	558	25.6%
Gross margin (%)	**75.8%**	72.6%	
Operating profit *(HK$ million)*	**180**	100	79.9%
Operating margin (%)	**19.5%**	13.0%	
Profit attributable to shareholders from Continuing Operations *(HK$ million)*	**147**	68	116.7%
Profit attributable to shareholders from Continuing Operations (%)	**15.9%**	8.8%	
Discontinued Operations:			
Loss attributable to shareholders from Discontinued Operations *(HK$ million)*	**-**	(12)	
Profit attributable to shareholders *(HK$ million)*	**147**	56	160.8%
Basic earnings per share *(HK cents)*	**9.3**	4.6	
Interim dividend per share *(HK cents)*	**5.0**	-	

The board of directors (the "Board") of Trinity Limited (the "Company") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2010.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Unaudited Six months ended 30 June **2010** **HK$'000**	 2009 HK$'000
Continuing Operations			
Revenue	2	**924,674**	768,402
Cost of sales		**(223,379)**	(210,260)
Gross profit		**701,295**	558,142
Other income		**26,911**	11,863
Selling and marketing expenses		**(380,292)**	(329,345)
Administrative expenses		**(170,044)**	(140,816)
Other gains – net		**2,061**	161
Operating profit	3	**179,931**	100,005
Finance income		**587**	170
Finance costs		**(3,344)**	(19,766)
Finance costs – net		**(2,757)**	(19,596)
Share of profit of jointly controlled entities		**20,867**	12,925
Profit before income tax		**198,041**	93,334
Income tax expense	4	**(51,180)**	(25,554)
Profit for the period from Continuing Operations		**146,861**	67,780
Discontinued Operations			
Loss for the period from Discontinued Operations		-	(11,469)
Attributable to:			
Shareholders of the Company		**146,861**	56,311
Basic earnings/(losses) per share attributable to shareholders of the Company			
(expressed in HK cents per share)	5		
– from Continuing Operations		**9.3 cents**	5.6 cents
– from Discontinued Operations		-	(1.0) cent
		9.3 cents	4.6 cents
Diluted earnings/(losses) per share attributable to shareholders of the Company			
(expressed in HK cents per share)	5		
– from Continuing Operations		**9.1 cents**	5.6 cents
– from Discontinued Operations		-	(1.0) cent
		9.1 cents	4.6 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
Profit for the period	**146,861**	56,311
Other comprehensive income for the period		
Currency translation differences	**6,213**	5,847
Share of cash flow hedging reserve of jointly controlled entities: Fair value losses	**-**	(6,922)
Total comprehensive income attributable to:		
Shareholders of the Company	**153,074**	55,236

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**Unaudited 30 June 2010 HK$'000**	Audited 31 December 2009 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**125,092**	121,157
Intangible assets		**1,623,371**	1,627,460
Investments in jointly controlled entities		**217,217**	190,097
Deposit and prepayments		**35,949**	31,511
Deferred income tax assets		**46,183**	51,949
		2,047,812	2,022,174
Current assets			
Inventories		**363,494**	385,283
Trade receivables	7	**118,291**	172,814
Deposit and prepayments		**36,388**	34,406
Amounts due from related parties		**1,517**	3,456
Cash and cash equivalents		**346,825**	518,240
		866,515	1,114,199
Total assets		**2,914,327**	3,136,373
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital		**157,425**	157,425
Share premium		**1,515,001**	1,515,001
Reserves		**403,192**	343,618
Total equity		**2,075,618**	2,016,044
LIABILITIES			
Non-current liabilities			
Provision for long service payments		**4,799**	5,071
Retirement benefit obligations		**12,584**	12,229
Other payables and accrued expenses		**39,718**	42,450
Deferred income tax liabilities		**69,515**	61,445
Borrowings		**360,000**	623,000
		486,616	744,195
Current liabilities			
Trade payables	8	**46,745**	55,735
Other payables and accrued expenses		**187,288**	216,805
Amounts due to related parties		**5,878**	2,141
Current income tax liabilities		**12,182**	9,654
Borrowings		**100,000**	91,799
		352,093	376,134
Total liabilities		**838,709**	1,120,329
Total equity and liabilities		**2,914,327**	3,136,373
Net current assets		**514,422**	738,065
Total assets less current liabilities		**2,562,234**	2,760,239

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 2009		120,517	1,041,310	435,137	(253,108)	1,343,856
Comprehensive income						
Exchange differences		-	-	-	5,847	5,847
Profit for the period		-	-	56,311	-	56,311
Share of cash flow hedging reserve of jointly controlled entities: Fair value losses for the period		-	-	-	(6,922)	(6,922)
Total comprehensive income/(loss)		-	-	56,311	(1,075)	55,236
Transactions with owners						
Dividends paid	6	-	-	(57,848)	-	(57,848)
Deemed contributions from intermediate holding company		-	-	-	21,686	21,686
Total transactions with owners		-	-	(57,848)	21,686	(36,162)
Balance at 30 June 2009		120,517	1,041,310	433,600	(232,497)	1,362,930
Balance at 1 January 2010		157,425	1,515,001	570,779	(227,161)	2,016,044
Comprehensive income						
Exchange differences		-	-	-	6,213	6,213
Profit for the period		-	-	146,861	-	146,861
Total comprehensive income		-	-	146,861	6,213	153,074
Transactions with owners						
Employee share option benefit		-	-	-	17,000	17,000
Dividends paid	6	-	-	(110,500)	-	(110,500)
Total transactions with owners		-	-	(110,500)	17,000	(93,500)
Balance at 30 June 2010		157,425	1,515,001	607,140	(203,948)	2,075,618

Notes:

1. Basis of preparation and accounting policies

This unaudited condensed consolidated interim financial information for the six months ended 30 June 2010 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 interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies applied and used in this condensed consolidated interim financial information are consistent with those used and described in the annual consolidated financial statements for the year ended 31 December 2009.

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

(a) Standards, amendments and interpretations to existing standards effective in 2010 and adopted by the Group

The Group has adopted the relevant new and amended standards and interpretations of HKFRS which are mandatory for accounting periods beginning on or after 1 January 2010. The adoption of such new and amended standards and interpretations does not have material impact on the condensed consolidated interim financial information and does not result in substantial changes to the Group's accounting policies.

(b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2010 and have not been early adopted:

HKFRS 9	Financial instruments (effective for annual accounting periods beginning on or after 1 January 2013)
HKAS 24 (Revised)	Related party disclosures (effective for annual accounting periods beginning on or after 1 January 2011)
HKAS 32 (Amendment)	Classification of rights issues (effective for annual accounting periods beginning on or after 1 February 2010)
HK(IFRIC) Int-14	Prepayments of a minimum funding requirement (effective for annual accounting periods beginning on or after 1 January 2011)
HK(IFRIC) Int-19	Extinguishing financial liabilities with equity instruments (effective for annual accounting periods beginning on or after 1 July 2010)
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters (effective for annual accounting periods beginning on or after 1 July 2010)

In addition, HKICPA has also issued a number of amendments for existing standards under its annual improvement project in May 2010. All these amendments are effective in the financial year of 2011 and these amendments are not expected to have a significant impact on the results and financial position of the Group.

2. Segment information

The Group is principally engaged in the retail and wholesale distribution of menswear under self-owned brands and licensed brands in the Greater China Region. The performance of the Group's retail stores is subject to seasonal fluctuations. Revenue is generally higher during the holiday seasons such as Christmas, Labour Day and National Day and during fall/winter fashion season. Therefore, the Group's revenue is generally higher during the second half of the year.

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 products perspectives. Geographically, Management considers the performance of the retail businesses in Chinese Mainland, Hong Kong and Macau ("HK & Macau") and Taiwan. HK & Macau is further segregated into retail and wholesale as all of the wholesale business is located in Hong Kong.

Segment assets consist primarily of property, plant and equipment, licence rights, goodwill, trademark, inventories, trade receivables, deposits, prepayments and operating cash.

(a) Segment results

The segment results for the six months ended 30 June 2010 are as follows:

	Unaudited					
	HK & Macau		Chinese Mainland	Taiwan	Overseas	Total
	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Retail HK$'000	Retail HK$'000	HK$'000
Segment revenue and revenue from external customers	306,970	6,092	530,773	80,839	-	924,674
Gross profit	237,690	207	408,446	54,952	-	701,295
Segment profit before income tax	88,991	635	183,027	15,311	20,867	308,831
Segment profit before income tax includes:						
Depreciation and amortisation	(7,441)	(226)	(31,900)	(1,496)	-	(41,063)
Interest (expenses)/income	(286)	-	166	12	-	(108)
Share of profit of jointly controlled entities	-	-	-	-	20,867	20,867
Segment assets as at 30 June 2010	1,128,602	2,999	1,183,737	199,613	218,433	2,733,384

The segment results for the six months ended 30 June 2009 are as follows:

	Unaudited					
	HK & Macau		Chinese Mainland	Taiwan	Overseas	Total
	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Retail HK$'000	Retail HK$'000	HK$'000
Segment revenue and revenue from external customers	234,514	7,040	456,969	69,879	-	768,402
Gross profit	170,017	293	341,005	46,827	-	558,142
Segment profit before income tax	54,906	357	135,137	225	12,925	203,550
Segment profit before income tax includes:						
Depreciation and amortisation	(7,490)	(191)	(18,980)	(2,552)	-	(29,213)
Interest (expense)/income	(665)	-	(484)	7	-	(1,142)
Impairment of property, plant and equipment	(2,315)	-	-	(1,329)	-	(3,644)
Share of profit of jointly controlled entities	-	-	-	-	12,925	12,925
Segment assets as at 31 December 2009	1,127,600	2,143	1,148,744	194,880	192,089	2,665,456

2. Segment information (Continued)

(b) A reconciliation of segment profit before income tax and Discontinued Operations to the Group's profit before income tax is as follows:

	Unaudited Six months ended 30 June 2010 HK$'000	2009 HK$'000
Segment profit before income tax for reportable segments	**308,831**	203,550
Add:		
Management and service fee income	**14,034**	3,052
Less:		
Interest expenses	**(2,649)**	(18,454)
Employee benefit expenses	**(98,524)**	(73,957)
Rental expenses	**(10,989)**	(9,322)
Depreciation and amortisation	**(2,977)**	(3,207)
Corporate and other unallocated expenses	**(9,685)**	(8,328)
Total Group's profit before income tax	**198,041**	93,334

(c) Reportable segment assets are reconciled to total assets as follows:

	Unaudited 30 June 2010 HK$'000	Audited 31 December 2009 HK$'000
Segment assets for reportable segments	**2,733,384**	2,665,456
Add:		
Property, plant and equipment	**13,294**	14,505
Corporate bank deposits	**115,438**	398,487
Deferred tax assets	**46,183**	51,949
Deposit and prepayments	**4,511**	2,520
Amounts due from related parties	**1,517**	3,456
Total assets per consolidated balance sheet	**2,914,327**	3,136,373

3. Operating profit

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

	Unaudited Six months ended 30 June 2010 HK$'000	2009 HK$'000
Impairment of inventories	**6,198**	3,722
Depreciation of property, plant and equipment	**39,951**	28,256
Impairment of property, plant and equipment	**-**	3,644
Amortisation of intangible assets	**4,089**	4,164
Loss on disposal of property, plant and equipment	**2,614**	4,544
Additional/(reversal of) provision for impairment of trade receivables	**265**	(2,452)

4. Income tax expense

Hong Kong profits tax has been provided at the estimated annual effective tax rate of 16.5% (2009: 16.5%) for the six months ended 30 June 2010. Taxation on overseas profits is similarly calculated using the estimated annual effective rates of taxation that are expected to be applicable in the countries or regions in which the Group operates.

	Unaudited	
	Six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
Current income tax		
– Hong Kong profits tax	**10,697**	4,803
– Overseas taxation	**26,647**	12,311
Deferred income tax	**13,836**	8,440
	51,180	25,554

5. Earnings per share

(a) Basic

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

	Unaudited	
	Six months ended 30 June	
	2010	2009
Weighted average number of ordinary shares in issue	**1,574,255,000**	1,205,173,000
Profit from Continuing Operations attributable to shareholders of the Company (HK$'000)	**146,861**	67,780
Basic earnings per share from Continuing Operations (HK cents per share)	**9.3 cents**	5.6 cents
Loss from Discontinued Operations attributable to shareholders of the Company (HK$'000)	**-**	(11,469)
Basic losses per share from Discontinued Operations (HK cents per share)	**-**	(1.0) cent

5. Earnings per share (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

	Unaudited Six months ended 30 June	
	2010	2009
Weighted average number of ordinary shares for diluted earnings per share	**1,616,435,000**	1,205,173,000
Profit from Continuing Operations attributable to shareholders of the Company (HK$'000)	**146,861**	67,780
Diluted earnings per share from Continuing Operations (HK cents per share)	**9.1 cents**	5.6 cents
Loss from Discontinued Operations attributable to shareholders of the Company (HK$'000)	-	(11,469)
Diluted losses per share from Discontinued Operations (HK cents per share)	-	(1.0) cent

6. Interim dividend

	Unaudited Six months ended 30 June	
	2010	2009
	HK$'000	HK$'000
Interim dividend declared: 5.0 HK cents (2009: nil) per ordinary share	**78,713**	-

The interim dividend has not been recognised as a liability at the balance sheet date. A final dividend of HK$110,500,000 for the year ended 31 December 2009 was paid in June 2010 (2009: a final dividend of HK$57,848,000 relating to 2008 was paid in May 2009).

7. Trade receivables

Majority of the Group's revenue are retail sales made in cash or by credit card, and sales through department stores which are generally collectible within 30 to 60 days from the invoice date.

At 30 June 2010, the ageing analysis of trade receivables of the Group by invoice date is as follows:

	Unaudited 30 June 2010 HK$'000	Audited 31 December 2009 HK$'000
1 - 30 days	**87,320**	123,010
31 - 60 days	**22,402**	41,581
61 - 90 days	**4,056**	6,936
Over 90 days	**5,301**	1,810
	119,079	173,337
Less: Provision for impairment of receivables	**(788)**	(523)
	118,291	172,814

As at 30 June 2010, the fair values of the Group's trade receivables are approximately the same as their carrying amounts.

8. Trade payables

At 30 June 2010, the ageing analysis of the Group's trade payables by invoice date is as follows:

	Unaudited 30 June 2010 HK$'000	Audited 31 December 2009 HK$'000
1 - 30 days	**29,891**	37,094
31 - 60 days	**3,643**	12,795
61 - 90 days	**6,970**	1,125
Over 90 days	**6,241**	4,721
	46,745	55,735

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

MANAGEMENT DISCUSSION AND ANALYSIS

Operational Review

The strengthening of the management team together with the solid foundations established in the aftermath of the financial crisis in late 2008 and early 2009, hand-in-hand with the expansion of the Group's store network into the second tier cities and beyond on the Chinese Mainland, have enabled the Group to enjoy both financial and operational gains in the first six months of 2010, as the economy and retail markets improved in the Greater China region.

As a result, growth in retail same-store sales rose 21.0% in the first half of 2010. Meeting Group targets, all operating markets also enjoyed double-digit same-store sales growth. Revenue from the Chinese Mainland increased 16.2% over the first half of 2009 to make a contribution of 57.4% to the Group's total revenue, while revenue from Hong Kong & Macau as well as Taiwan rose 29.6% and 15.7% respectively in comparison to the first half of 2009.

The increase in gross profit throughout the Group's markets in the Greater China region lifted the overall gross margin from 72.6% in 2009 to 75.8% in 2010. This was primarily due to the sustained recovery in the economy, which restored market order and curtailed the widespread sales promotions driven by the aggressive discounting practices brought about by the competition during the difficult economic environment of late 2008 and the first half of 2009.

In addition to the improved gross profit, the Group was able to enjoy positive leveraging of higher revenue on operating costs. As a result, operating profit in the six months to June 2010 also increased 79.9% to HK$179.9 million with the operating margin improved to 19.5% over the corresponding period in 2009. At the same time, finance costs dropped to HK$3.3 million during the reporting period due to a substantial reduction in bank borrowings and decreases in the interest rate.

The Group also benefitted from a reduction in its effective tax rate from 27.4% to 25.8% due to a favourable change in the profit mix from a higher tax rate country to lower tax rate territories.

The improving market conditions coupled with ongoing efforts to enhance inventory management resulted in a further improvement in the Group's inventory turnover days to 306 days. Trade receivable and payable turnover days were maintained at 29 days and 42 days respectively.

Overall markets in both South East Asia and South Korea remained stable. During this period, the increase in share of profit of jointly controlled entities was mainly attributable to revenue growth in South Korea and the appreciation of the Korean Won against the Hong Kong Dollar.

For the six months ended 30 June 2010, profit attributable to shareholders increased 160.8% to HK$146.9 million, increasing from 7.3% to 15.9% as a percentage of revenue. The Group's basic earnings per share thus rose from 4.6 HK cents for the period ended 30 June 2009 to 9.3 HK cents in the comparable period in 2010.

Financial Position and Liquidity

The Group generated a cash inflow from operating activities of HK$260.4 million. Higher revenues coupled with enhancements in the gross margin, together with further improvements in inventory management contributed to this inflow. The Group's net debt as at 30 June 2010 therefore fell to HK$113.2 million, as part of the cash generated from operating activities was utilised to pay off bank borrowings. With net debt calculated as interest bearing borrowings less cash and cash equivalents, the Group's net debt to equity ratio experienced a reduction to 5.5% as at 30 June 2010 from 9.7% as at 31 December 2009.

Credit Risk Management

Credit risks mainly involve trade receivables from department stores. The Group has therefore established procedures to evaluate and monitor the credit risk of department stores to control its exposure. Average settlement terms in respect of receivables from department stores are about 33 days.

As at 30 June 2010, the Group's debtors ageing analysis showed that the percentage of debtors owing payments over three months old consisted of 4.5% of its total trade debtors. All cash and cash equivalents are deposited in major international banks.

Financial and Banking Management

Most of the Group's cash balances, borrowings, revenues and payments were denominated in HK Dollars and Renminbi, except for certain purchases. A substantial part of its production materials and finished goods are purchased in foreign currencies. Minimising the exchange risks in relation to these purchases, the Group has a hedging policy in place.

Interest rate risks are also evaluated on a regular basis to determine the need to hedge against adverse movements in the interest rate. Since limited volatility was expected in this area, no hedging activities were taken during the reporting period.

The Group has secured adequate banking facilities to cover operational contingencies. A total of HK$1,348.6 million in term and revolving loans with variable interest rates and other facilities have been obtained, of which HK$360.0 million are in long term loans. As at 30 June 2010, undrawn facilities amounted to HK$850.0 million.

Use of Proceeds from Initial Public Offering

Of the HK$510.6 million raised from the initial public offering ("IPO") in November 2009, the Group has so far utilised HK$153.2 million of these proceeds to repay bank borrowings, HK$30.0 million on the opening of new stores and HK$51.1 million on the financing of working capital. As at 30 June 2010, unutilised IPO funds of HK$276.3 million were deposited with international banks for future use.

Geographical Analysis for the Retail Business

- Revenue

Revenue growth for Hong Kong & Macau, Chinese Mainland and Taiwan was 30.9%, 16.2% and 15.7% respectively. The growth in Hong Kong & Macau was primarily driven by increased sales to tourists from Chinese Mainland. At the same time, improving market sentiment on the Chinese Mainland and in Taiwan has significantly bolstered consumer spending on discretionary items.

- Gross Margins

The Group recorded an improvement in its gross margin to 76.3%. The gross margin for Hong Kong & Macau, Chinese Mainland and Taiwan were 77.4%, 77.0% and 68.0% respectively. These figures all show a satisfactory increase over those achieved in the comparable period in 2009.

Building Brand Equity

Building on the strong loyalty that the Group's menswear brands – Kent & Curwen, Cerruti 1881, Gieves & Hawkes, D'URBAN, Intermezzo and Altea – currently command, Trinity develops strategic programmes and events to reinforce brand positioning, improve awareness and enhance sales.

In the past six months, the Group has accelerated its brand building activities by focusing on promoting four brands – Kent & Curwen, Cerruti 1881, D'URBAN and Gieves & Hawkes, with press events providing a key vehicle to the recognition of these labels, both among the media and final consumers. Additional joint promotions and programmes with both the Beijing and Hong Kong Jockey Clubs also help to highlight brand cultures and high-end lifestyles, whilst creating a valuable bridge to the social elite in these cities.

Kent & Curwen marked a major milestone in July when it signed an agreement with the Asian celebrity, Aaron Kwok, to become its brand ambassador. Referred to as one of the "Four Heavenly Kings" with a very high recognition factor in Greater China, Aaron Kwok will generate ongoing noise and awareness for the brand. The announcement was celebrated at the British Consulate in Hong Kong, where the Hon Andrew Seaton, the Consul-General presented Aaron Kwok with the key to Kent & Curwen's new London Boutique.

At the retail level, in-store campaigns such as Kent & Curwen's Father's Day "Like Father, Like Son" point-of-sale promotion, helped to generate traffic, repeat sales and gifting opportunities. These marketing and communication activities increase awareness, enhance loyalty and build sales.

Corporate Social Responsibility

The Group takes a responsible stance with regard to the environment, making every effort to operate in an environmentally friendly manner. The Group has set benchmarks and evaluated its carbon footprint, while also conducting education campaigns and outreach activities. The Group has analysed energy efficiencies and taken measures, ranging from the more effective use of lighting and the conservation of water, to the recycling and reuse of paper and other relevant materials. Furthermore, the Group is exploring the use of LED lighting in its stores, where the ambiance will not be compromised, and also continues to work with its business partners and suppliers to reduce energy consumption and upgrade the sustainability of its entire supply chain.

Efforts include introducing sustainability goals, saving energy, conserving resources and reducing waste as an integral part of its corporate and management culture. Taking a further step forward to turn this commitment into reality, the Group is now measuring and managing its carbon emissions to reduce its carbon footprint.

Human Resources

As at 30 June 2010, the Group had a total workforce of 2,849 staff, 816 of whom were based in Hong Kong & Macau, 2,019 in Chinese Mainland and Taiwan, and 14 in other countries. Staff costs for the first half of 2010 totalled HK$217.3 million, against the figure of HK$176.7 million recorded for the comparable period in 2009.

Fully aware of the value of an enthusiastic, talented and committed workforce, the Group offers competitive remuneration schemes, a safe and comfortable workplace as well as comprehensive staff training and development opportunities. Performance related bonuses and share options also help to motivate and retain this high-calibre team.

Maximising staff potential, the Group is committed to the provision of management development as well as personal growth training. In the first half of 2010, Trinity launched two staff development programmes fostering ongoing personal, leadership and management development. A number of senior executives are also participating in the Li & Fung Leadership Programme which was launched earlier this year. Jointly organised by the Massachusetts Institute of Technology, The University of Hong Kong and the Li & Fung Group, this tailor-made programme focuses on creating a more unified, customer centric culture across the Group, a deeper understanding of customers and their evolving needs, a commitment to achieve synergies across the businesses and a clear view of personal objectives and development priorities.

Prospects

Looking forward, the Group is aiming to increase market penetration with an increase in its retail network on the Chinese Mainland. At the same time, Hong Kong and Macau continue to benefit from their growing integration with the Chinese Mainland while trends in Taiwan indicate improvements with the economic turnaround experienced in the latter half of 2009. The Group is thus on track to achieving its aim to grow same-store sales throughout its operations in 2010 in the double digits.

The Group is facing the second half of 2010 with cautious optimism, as despite the recent recovery, both stock and property markets in Chinese Mainland have experienced a slowdown. Seeking to achieve its goal to build steady and consistent growth into the future, the Group is interested in acquiring brands, as suitable opportunities arise. This approach will maximise synergies and the utilisation of the Group's existing systems and infrastructure. Further initiatives such as the streamlining of its supply chain and the development of its people, together with its role as the premier menswear retailer in the region, will enable Trinity to look forward with optimism.

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 Group Managing Director.

The Board has established the following committees (all chaired by Independent Non-executive Director or Non-executive Director) with defined terms of reference (available to shareholders upon request), which are of no less exacting terms than those set out in the Code on Corporate Governance Practices of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"): the Nomination Committee, the Audit Committee and the Compensation Committee.

Corporate governance practices adopted by the Company during the six months ended 30 June 2010 are in line with those practices set out in the Company's 2009 Annual Report.

AUDIT COMMITTEE

The Audit Committee met three times to date in 2010 (with a 100% attendance rate) to review with senior management, the Company's Corporate Governance Division ("CGD") and external auditors, the Group's significant internal controls, risk management and financial matters as set out in the Audit Committee's written terms of reference. The CGD, under the supervision of the Group Chief Compliance Officer, is responsible for performing the internal audits of the Group. The Committee's review covers the audit plans and findings of the CGD and external auditors, external auditor's independence, the Group's accounting principles and practices, goodwill assessment, listing rules and statutory compliance, connected transactions, internal controls, risk management, financial reporting matters (including the interim financial information for the six months ended 30 June 2010 before recommending them to the Board for approval) and the adequacy of resources, qualification and experience of staff of the Group's accounting and financial reporting function, and their training programmes and budget.

The Audit Committee has reviewed the interim results for the six months ended 30 June 2010.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for ensuring that the Group maintains a sound and effective system of internal controls, and for reviewing its adequacy and effectiveness through the Audit Committee.

Based on the assessments made by the senior management and the CGD for the six months ended 30 June 2010, the Audit Committee considered that:

- the internal controls and accounting systems of the Group are in place and functioning effectively and are designed to provide reasonable assurance that material assets are protected, business risks attributable to the Group are identified and monitored, material transactions are executed in accordance with management's authorisation and the interim financial information is reliable for publication;

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

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

COMPLIANCE WITH THE MODEL CODE OF THE LISTING RULES

The Group has adopted stringent procedures governing Directors' securities transactions in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules. Relevant employees who are likely to be in possession of unpublished price-sensitive 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 to confirm compliance with the Model Code for the six months ended 30 June 2010. No incident of non-compliance by Directors and relevant employees was noted by the Company during the six months ended 30 June 2010.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES 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 Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2010.

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 2010.

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim dividend of 5.0 HK cents (2009: nil) per share for the six months ended 30 June 2010.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 20 September 2010 to 22 September 2010 (both days inclusive). In order to qualify for the interim dividend, 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 26/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 pm on 17 September 2010. Dividend warrants are expected to be despatched to the shareholders of the Company on 24 September 2010.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the website of the Company at *www.trinity-limited.com* and on the website of Hong Kong Exchanges and Clearing Limited at *www.hkexnews.hk*. The 2010 Interim Report will be despatched to the shareholders of the Company and available on the same websites on or about 17 September 2010.

By Order of the Board
Victor FUNG Kwok King
Chairman

Hong Kong, 25 August 2010

As at the date of this announcement, the board of directors of the Company comprises three executive directors, namely Mr WONG Yat Ming, Mr Bruno LI Kwok Ho and Ms Sabrina FUNG Wing Yee; four non-executive directors, namely Dr Victor FUNG Kwok King, GBM, GBS, CBE, Dr William FUNG Kwok Lun, SBS, OBE, JP, Mr Jeremy Paul Egerton HOBBINS and Mr Jose Hosea CHENG Hor Yin; and four independent non-executive directors, namely Mr Patrick SUN, Mr Cassian CHEUNG Ka Sing, Mr Michael LEE Tze Hau and Mr Jean-Marc LOUBIER.

** For identification purposes only*