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 2011

Highlights

	2011	2010	% change
Revenue *(HK$ million)*	**1,206**	925	30.4%
Gross profit *(HK$ million)*	**974**	701	38.9%
Gross margin (%)	**80.8%**	75.8%	
Operating profit *(HK$ million)*	**298**	180	65.8%
Operating margin (%)	**24.7%**	19.5%	
Profit attributable to shareholders *(HK$ million)*	**240**	147	63.5%
Profit attributable to shareholders (%)	**19.9%**	15.9%	
Basic earnings per share *(HK cents)*	**14.2**	9.3	
Interim dividend per share *(HK cents)*	**8.0**	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 2011.

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	**Unaudited Six months ended 30 June 2011 HK$'000**	2010 HK$'000
Revenue	2	**1,205,966**	924,674
Cost of sales		**(232,121)**	(223,379)
Gross profit		**973,845**	701,295
Other income		**28,064**	26,911
Selling and marketing expenses		**(498,044)**	(380,292)
Administrative expenses		**(214,852)**	(170,044)
Other gains – net		**9,290**	2,061
Operating profit	3	**298,303**	179,931
Finance income		**3,085**	587
Finance costs		**(2,117)**	(3,344)
Finance income/(costs) – net		**968**	(2,757)
Share of profit of jointly controlled entities		**29,710**	20,867
Profit before income tax		**328,981**	198,041
Income tax expenses	4	**(88,888)**	(51,180)
Profit for the period attributable to shareholders of the Company		**240,093**	146,861
Basic earnings per share attributable to shareholders of the Company (expressed in HK cents per share)	5	**14.2 cents**	9.3 cents
Diluted earnings per share attributable to shareholders of the Company (expressed in HK cents per share)	5	**13.8 cents**	9.1 cents

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Profit for the period	**240,093**	146,861
Other comprehensive income for the period		
Currency translation differences	**18,963**	6,213
Total comprehensive income attributable to shareholders of the Company	**259,056**	153,074

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	**Unaudited 30 June 2011 HK$'000**	Audited 31 December 2010 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**243,414**	181,628
Intangible assets		**2,337,814**	1,629,072
Investments in jointly controlled entities		**213,723**	210,982
Deposit and prepayments		**40,888**	36,724
Deferred income tax assets		**63,503**	60,103
		2,899,342	2,118,509
Current assets			
Inventories		**497,585**	420,800
Trade receivables	7	**166,603**	214,929
Deposit and prepayments		**50,600**	199,038
Amounts due from related parties		**1,411**	1,073
Cash and cash equivalents		**594,912**	514,799
		1,311,111	1,350,639
Total assets		**4,210,453**	3,469,148
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital		**169,611**	158,889
Share premium		**2,281,478**	1,540,961
Reserves		**650,097**	551,038
Total equity		**3,101,186**	2,250,888
LIABILITIES			
Non-current liabilities			
Provision for long service payments		**6,355**	6,082
Retirement benefit obligations		**13,897**	13,663
Other payables and accruals		**34,409**	37,048
Deferred income tax liabilities		**210,986**	93,228
Borrowings		**180,000**	220,000
		445,647	370,021
Current liabilities			
Trade payables	8	**113,712**	95,928
Other payables and accruals		**380,558**	334,798
Amounts due to related parties		**9,445**	7,580
Current income tax liabilities		**79,905**	49,933
Borrowings		**80,000**	360,000
		663,620	848,239
Total liabilities		**1,109,267**	1,218,260
Total equity and liabilities		**4,210,453**	3,469,148
Net current assets		**647,491**	502,400
Total assets less current liabilities		**3,546,833**	2,620,909

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 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 schemes						
- value of employee services		-	-	-	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
Balance at 1 January 2011		**158,889**	**1,540,961**	**731,262**	**(180,224)**	**2,250,888**
Comprehensive income						
Exchange differences		**-**	**-**	**-**	**18,963**	**18,963**
Profit for the period		**-**	**-**	**240,093**	**-**	**240,093**
Total comprehensive income		**-**	**-**	**240,093**	**18,963**	**259,056**
Transactions with owners						
Issue of shares pursuant to a placement		**10,000**	**726,554**	**-**	**-**	**736,554**
Employee share option schemes						
- value of employee services		**-**	**-**	**-**	**9,610**	**9,610**
- exercise of share options		**722**	**13,963**	**-**	**-**	**14,685**
- transfer to retained earnings		**-**	**-**	**4,292**	**(4,292)**	**-**
Dividends paid	6	**-**	**-**	**(169,607)**	**-**	**(169,607)**
Total transactions with owners		**10,722**	**740,517**	**(165,315)**	**5,318**	**591,242**
Balance at 30 June 2011		**169,611**	**2,281,478**	**806,040**	**(155,943)**	**3,101,186**

Notes:

1. Basis of preparation and accounting policies

This unaudited condensed consolidated financial information for the six months ended 30 June 2011 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, 'Interim Financial Reporting' issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2010, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The accounting policies applied and used in this condensed consolidated financial information are consistent with those used and described in the annual consolidated financial statements for the year ended 31 December 2010.

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

(a) Adoption of new/revised standards, amendments and interpretations to existing standards effective in 2011

The Group has adopted the following relevant new or revised standards, amendments and interpretations to existing standards of HKFRS which are mandatory for accounting periods beginning on or after 1 January 2011:

HKAS 24 (Revised)	Related Party Disclosures (effective for annual periods beginning on or after 1 January 2011)
HKAS 34 (Amendment)	Interim Financial Reporting (effective for annual periods beginning on or after 1 January 2011)

The adoption of such new or revised standards, amendments and interpretations to existing standards does not have material impact on the condensed consolidated financial information and does not result in substantial changes to the Group's accounting policies.

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

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

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 2011 and have not been early adopted by the Group:

HKAS 12 (Amendment)	Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after 1 January 2012)
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters (effective for annual periods beginning on or after 1 July 2011)
HKFRS 7 (Amendment)	Disclosures – Transfers of Financial Assets (effective for annual periods beginning on or after 1 July 2011)
HKFRS 9	Financial Instruments (effective for annual periods beginning on or after 1 January 2013)
HKFRS 10	Consolidated Financial Statements (effective for annual periods beginning on or after 1 January 2013)
HKFRS 11	Joint Arrangements (effective for annual periods beginning on or after 1 January 2013)
HKFRS 12	Disclosure of Interests in Other Entities (effective for annual periods beginning on or after 1 January 2013)
HKFRS 13	Fair Value Measurement (effective for annual periods beginning on or after 1 January 2013)

In addition, HKICPA has also issued a number of amendments to existing standards under its annual improvement project in May 2011. All these amendments are effective in the financial year of 2011 or years after 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 business lines perspectives. Geographically, management considers the performance of the retail businesses in Chinese Mainland, Hong Kong and Macau ("HK & Macau"), Taiwan, Europe and Others. Management also assesses the performance of the individual business line, namely retail, wholesale and licensing. During the period, certain amendments and reclassifications were made to the management report presented to the senior executive management in order to better reflect the composition and performance of each segment. Prior period comparatives have been restated accordingly.

Segment asset consists only of inventories.

2. Segment information (Continued)

(a) Segment results

The segment results for the six months ended 30 June 2011 are as follows:

	Unaudited							
	HK & Macau		Chinese Mainland	Taiwan	Europe		Others	
	Retail	Wholesale	Retail	Retail	Retail	Licence	Retail	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue and revenue from external customers	374,265	2,445	691,922	97,730	13,313	26,291	-	1,205,966
Gross profit	303,480	1,100	561,094	75,206	6,674	26,291	-	973,845
Segment profit/(loss) before income tax	152,348	1,100	241,696	27,451	(4,255)	14,452	29,710	462,502
Segment profit/(loss) before income tax includes:								
Depreciation	(5,396)	-	(45,098)	(998)	(2,254)	(11)	-	(53,757)
Share of profit of jointly controlled entities	-	-	-	-	-	-	29,710	29,710
Segment asset as at 30 June 2011	181,003	-	265,421	43,985	7,176	-	-	497,585

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

	Unaudited						
	HK & Macau		Chinese Mainland	Taiwan	Europe	Others	
	Retail	Wholesale	Retail	Retail	Retail	Retail	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue and revenue from external customers	306,378	6,135	530,812	80,927	422	-	924,674
Gross profit	239,304	244	403,143	58,341	263	-	701,295
Segment profit/(loss) before income tax	112,660	244	158,529	17,693	(2,399)	20,867	307,594
Segment profit/(loss) before income tax includes:							
Depreciation	(5,919)	-	(29,608)	(1,021)	(456)	-	(37,004)
Share of profit of jointly controlled entities	-	-	-	-	-	20,867	20,867
Segment asset as at 31 December 2010	146,284	-	231,243	41,904	1,369	-	420,800

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

	Unaudited Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Segment profit before income tax for reportable segments	**462,502**	307,594
Add:		
Other income	**28,064**	26,911
Other gains – net	**9,290**	2,061
Finance income – net	**968**	-
Less:		
Finance costs – net	**-**	(2,757)
Employee benefit expenses	**(110,478)**	(98,524)
Rental expenses	**(19,792)**	(10,989)
Depreciation and amortisation	**(10,935)**	(7,036)
Corporate and other unallocated expenses	**(30,638)**	(19,219)
Total Group's profit before income tax	**328,981**	198,041

3. Operating profit

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

	Unaudited Six months ended 30 June **2011** **HK$'000**	2010 HK$'000
(Reversal of)/additional provision for impairment of inventories	**(8,525)**	6,198
Depreciation of property, plant and equipment	**60,688**	39,951
Amortisation of intangible assets	**4,004**	4,089
Loss on disposal of property, plant and equipment	**3,168**	2,614
(Reversal of)/additional provision for impairment of trade receivables	**(3,165)**	265
Advertising and promotion expenses	**58,185**	30,111

4. Income tax expenses

Hong Kong profits tax has been provided for at the rate of 16.5% (2010: 16.5%) on the estimated assessable profit for the six months ended 30 June 2011. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries or regions in which the Group operates.

	Unaudited Six months ended 30 June **2011** **HK$'000**	2010 HK$'000
Current income tax		
– Hong Kong profits tax	**16,863**	10,697
– Overseas taxation	**52,958**	26,647
Deferred income tax	**19,067**	13,836
	88,888	51,180

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 **2011**	2010
Weighted average number of ordinary shares in issue	**1,689,778,000**	1,574,255,000
Profit attributable to shareholders of the Company (HK$'000)	**240,093**	146,861
Basic earnings per share (HK cents per share)	**14.2 cents**	9.3 cents

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	
	2011	2010
Weighted average number of ordinary shares for diluted earnings per share	**1,737,455,000**	1,616,435,000
Profit attributable to shareholders of the Company (HK$'000)	**240,093**	146,861
Diluted earnings per share (HK cents per share)	**13.8 cents**	9.1 cents

6. Dividends

	Unaudited Six months ended 30 June	
	2011	2010
	HK$'000	HK$'000
Interim dividend declared of 8.0 HK cents (2010: 5.0 HK cents) per ordinary share	**135,689**	78,713

The interim dividend declared by the Board of Directors on 25 August 2011 has not been recognised as a liability at the balance sheet date. A final dividend of HK$169,607,000 for the year ended 31 December 2010 was paid in June 2011 (2010: a final dividend of HK$110,500,000 relating to 2009 was paid in June 2010).

7. Trade receivables

Majority of the Group's revenue are retail sales and licensing income. Retail sales are 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. Licensing income is generally collectible within 90 days from the invoice date.

At 30 June 2011, the ageing analysis of trade receivables of the Group by invoice date is as follows:

	Unaudited 30 June 2011 HK$'000	Audited 31 December 2010 HK$'000
1 - 30 days	**129,800**	181,406
31 - 60 days	**31,974**	32,825
61 - 90 days	**3,279**	1,152
Over 90 days	**7,495**	1,938
	172,548	217,321
Less: Provision for impairment of receivables	**(5,945)**	(2,392)
	166,603	214,929

As at 30 June 2011, the fair values of the Group's trade receivables are approximately the same as their carrying amounts.

8. Trade payables

At 30 June 2011, the ageing analysis of the Group's trade payables by invoice date is as follows:

	Unaudited 30 June 2011 HK$'000	Audited 31 December 2010 HK$'000
1 - 30 days	**65,638**	39,945
31 - 60 days	**9,753**	20,405
61 - 90 days	**19,246**	12,579
Over 90 days	**19,075**	22,999
	113,712	95,928

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

MANAGEMENT DISCUSSION AND ANALYSIS

The Group has continued to capitalise on opportunities on the Chinese Mainland that have been provided by the growth of the middle class and high net worth individuals. With retail spending continuing to be strong, the Group delivered robust increases in revenue, gross profit and profit attributable to shareholders. Although attempts to restrain increases in property prices and rising interest rates may cause overall demand to slow on the Chinese Mainland, the Group currently does not see any signs of a slowdown in demand for its brands and expansion plans will continue to be implemented. The second half of the year will see an increase in the number of new store openings, compared to a stable first half, and with luxury retail spending continuing to climb across the menswear markets, the Group is confident that the growth rate of Trinity is sustainable.

Revenue increased in the first half of 2011 by 30.4%, with all markets producing significant same-store sales growth driven by strong demand and consumers trading-up to buy items in more expensive price brackets. The same-store sales growth for Hong Kong & Macau, the Chinese Mainland and Taiwan was 14.4%, 22.4% and 24.7% respectively. Revenue from the Chinese Mainland contributed 59.3% of the Group's total revenue from Greater China, up from 57.4% during the same period in 2010. The acquisition of 100% interests in Toga Investments SARL and certain of its subsidiaries ("Cerruti Group") was completed in March 2011. The Group now has control of its two biggest brands, Cerruti and Kent & Curwen, which, since the acquisition of the Cerruti Group, accounted for 72.1% of the revenue.

The Group's gross margin increased 5.0 percentage points in the first half of 2011 to 80.8%, compared to 75.8% in the first half of 2010. The main driving force was the Chinese Mainland, which has a total of 327 stores in 52 cities, where the increase in gross margin was 5.2 percentage points, compared to 4.2 percentage points in Hong Kong & Macau and 4.9 percentage points in Taiwan. The improved margin reflected the increasing demand for the Group's brands.

Following the higher gross profit, operating profit increased from HK$179.9 million in the first half of 2010 to HK$298.3 million in the first half of 2011, an increase of 65.8%.

Overall, markets in South Korea and South East Asia remained buoyant during the first half of 2011. The increase in share of profit contributed by jointly controlled entities was mainly attributable to revenue growth in South Korea and Singapore and the strength of South Korean and Singaporean currencies against Hong Kong dollar.

Profit attributable to shareholders rose from HK$146.9 million to HK$240.1 million, an increase of 63.5%. Profit attributable to shareholders as a percentage of the Group's revenue rose by 4.0 percentage points in the first half of 2011, from 15.9% in the same period of 2010 to 19.9%. The Group's earnings per share rose from 9.3 HK cents in the first half of 2010 to 14.2 HK cents in the first half of 2011.

The Group's inventory turnover days increased, to 358, reflecting more shipments of new product lines with the expectation of higher sales in the second half of 2011.

Financial Position and Liquidity

In the last six months, the Group generated net cash from operating activities of HK$204.5 million, primarily driven by an increase in profit. The major movement of funds for the Group included payment of HK$389.9 million as the balance of the cost of the Cerruti Group acquisition, net proceeds of HK$736.6 million via a placement of shares in January and net repayment of bank borrowings amounting to HK$320.0 million. Overall, the Group turned a net debt (calculated as interest bearing borrowings less cash and cash equivalents) position of HK$65.2 million at the end of 2010 into a net cash position of HK$334.9 million at the end of June 2011.

The Group has secured banking facilities of HK$1,216.9 million. As at 30 June 2011, HK$905.0 million of the available banking facilities were unutilised.

Credit Risk Management

The Group's credit risks mostly flow from receivables owed by department stores. The Group has implemented strict procedures to monitor its credit risk in order to minimise its exposure. Average settlement terms in respect of receivables from department stores are about 32 days. As of 30 June 2011, outstanding trade receivable over three months stood at 4.3%, a reduction from 30 June 2010, when the figure was 4.5%. All cash and cash equivalents are deposited in major international banks.

Treasury 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.

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.

Contingent Liabilities

A subsidiary of the Cerruti Group in France acquired by the Group in March 2011 was the subject of various claims from several former employees and third parties amounting to approximately Euro 1.8 million (approximately HK$20.0 million). The claim amounts are fully indemnified by the previous owner of the Cerruti Group. Accordingly, the Group has not recognised any provision in relation to these claims at the balance sheet date as it is not probable that the Group will bear any of these costs.

Use of Proceeds from Initial Public Offering

Of the HK$510.6 million raised from the Initial Public Offering in November 2009, HK$51.4 million earmarked for new store openings remains unutilised at 30 June 2011.

Geographical Analysis for the Retail and Licensing Businesses

Revenue

Strong revenue growth was recorded across all three major retail markets of the Group's operations, with a 30.4% increase from the Chinese Mainland, 22.2% from Hong Kong & Macau and 20.8% from Taiwan. Retail and licensing business in Europe contributed 3.3% of the Group's revenue, which included contributions from the Cerruti Group mainly in the second quarter of 2011. The licensing income from the Cerruti Group amounted to HK$26.3 million during the period.

Gross Margin

The Group recorded an improvement in its gross margin to 80.8%. The retail gross margin for both Hong Kong & Macau and the Chinese Mainland was 81.1%; whilst that for Taiwan and Europe was 77.0% and 50.1% respectively.

Building Brand Equity

Advertising and Promotion spending rose to 4.8% of revenue in the first half of 2011, compared to 3.3% in the first half of 2010. The Group has invested significant resources in marketing, which are devoted to strategic planning, creative advertising and activities that promote the elegance, style and quality of the Group's key brands, especially Kent & Curwen, Cerruti, Gieves & Hawkes and D'URBAN.

The "Kent & Curwen Centenary Sprint Cup" was held in mid-January at the Hong Kong Jockey Club in Shatin. The horse race event highlighted the English roots of the Kent & Curwen brand, associating it with the "Sport of Kings", emphasising the brand's sporting heritage and building its relationship with the Hong Kong Jockey Club's elite membership.

Cerruti's biannual men's défilé in Paris is a platform for creativity for the fashion world and the international fashion press seek out tickets to the event. Cerruti also benefited from the "Heroes" ad campaign, shot in Paris at the Pont des Arts by Paolo Roversi, whose images support the brand's young and modern aesthetic.

Gieves & Hawkes was in the global spotlight when Prince William, the Duke of Cambridge, and other members of his immediate family chose Gieves & Hawkes for their custom tuxedos at the wedding party. Male family members of Catherine Middleton, the Duchess of Cambridge, attended her wedding to Prince William, dressed in morning suits from the famous tailor, which has its London headquarters at Number 1 Savile Row. Gieves & Hawkes iconic sartorial address on Savile Row was reproduced for the brand's Greater China stores with a photo backdrop and neon signage.

The use of brand ambassadors has paid dividends for the Group and at D'URBAN Japanese film and television star Yutaka Takenouchi continued in this role, appearing in advertising and point-of-sale media. Kent & Curwen benefited from its partnership with brand ambassador and Asian celebrity Aaron Kwok. The association has been deepened when Kent & Curwen ventured into the quintessentially masculine sport of motor racing for the first time, to sponsor Mr Kwok and the inaugural "Ferrari Challenge Trofeo Pirelli Asia Pacific", with races taking place in Zhuhai and Shanghai of the Chinese Mainland and Malaysia between June and October.

With creative control of Cerruti now wholly in the hands of the Group, new initiatives will be launched that will elevate Cerruti's reputation, renew its legacy and enhance its range of products. Just as Kent & Curwen has focused on its essential Englishness, the Group will use the uniquely French *savoir-faire* that is woven within the Cerruti DNA to emphasise that its products are the essence of Parisian elegance and sophistication.

Supply Chain Management

In anticipation of the rising demand of its products, the Group has substantially strengthened its supply chain management capability by the joining of a group of supply chain managers from Li & Fung Limited led by Mr Danny Lau, the Group's Chief Operating Officer. With their global apparel experience, initiatives are underway to improve the Group's supply chain.

Corporate Social Responsibility

Trinity, together with other members of Li & Fung group, participated as a member of the United Nations Global Compact ("UNGC") and reported on steps that it had taken to support the ten UNGC principles, which include the requirement that businesses support a precautionary approach to environmental challenges, undertake initiatives to promote greater environmental responsibility and explore ways to further address the other UNGC principles in human rights, labour and anti-corruption.

The Group has undertaken initiatives to promote greater environmental awareness by educating employees on environmental issues through group briefings, encouraging relevant Trinity stores to participate in Earth Hour 2011, rallying over 90% of the Group's staff to take part in the Earth Hour event and by supporting tree planting initiatives in Hong Kong and the Chinese Mainland. The Group also expanded its carbon footprint measurement, implemented a "No Shark Fin" policy, and formalised environmental guidelines covering reductions in the use of energy, office paper, packaging and office supplies, while encouraging recycling, and other green initiatives.

In addition, the Group continued its participation in the Hong Kong Marathon and raised funds for the victims of the Japan Earthquake, and its employees took initiatives to raise funds for impoverished children in Inner Mongolia and the poor in rural Chengdu.

Human Resources

In line with the Group's strong growth, its workforce continues to expand. The Group's total workforce now stands at 3,321, an increase of 16.6% over 30 June 2010, with 2,200 employees based on the Chinese Mainland, 173 in Taiwan, 895 in Hong Kong & Macau and 53 in other countries. Staff costs for the first half of 2011 reached HK$258.9 million, compared to HK$217.3 million for the same period last year.

The Group offers comprehensive staff development opportunities, a safe and comfortable workplace and it has developed a competitive remuneration scheme including an attractive commission system for sales staff. It also provides performance-related bonuses and share options to help motivate and retain its high-calibre team. As part of the Group's Total Service Management programme, training sessions were conducted that focused on customer service, sales skills and personal development. The Group also continues to develop the Trinity Elite Lessons in Leadership programme that grooms exceptional staff as future leaders and prepares suitable individuals for roles in top management.

Prospects

The Group is on track to deliver a sustainable rate of growth in the second half of the year. In the first half of 2011, the number of stores remained relatively stable but in the second half of this year the pace of new store openings will accelerate as the Group aims to add approximately 50 stores before the end of 2011.

The Group is always on the lookout for acquisition opportunities but retains a clear strategic point of view with regard to targets, which, for the time being, will be high-end menswear brands. The Group expects to deliver strong organic growth from existing brands, underlying that the Group's future growth is organic in nature and flows primarily from the strength of its current brand portfolio combined with steady increases in the number of stores operating on the Chinese Mainland.

Although costs are rising, and in the coming fall winter season a bigger price increase is expected, the Group believes that it will be able to sustain its margin and we are optimistic that same-store sales will continue to deliver double-digit growth. As such, the Group is confident about the future and believes that its growth rate is sustainable.

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. Their respective responsibilities are clearly established and defined by the Board in writing.

The Board has established the following committees (all chaired by Independent 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. All the committees comprise a majority of Independent Non-executive Directors.

Corporate governance practices adopted by the Company during the six months ended 30 June 2011 are in line with those practices set out in the Company's 2010 Annual Report.

AUDIT COMMITTEE

The Audit Committee met three times to date in 2011 (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 2011 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 2011.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board recognises the importance of internal controls to safeguard shareholders' interests and investments and the Group's assets, as well as to manage business risks. The Board is responsible for ensuring that the Group maintains a sound and effective system of internal controls, and for reviewing 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 2011, the Audit Committee is satisfied that:

- the internal controls and accounting systems of the Group are in place and functioning effectively and are designed to provide reasonable assurance that material assets are protected, business risks attributable to the Group are identified and monitored, material transactions are executed in accordance with management's authorisation and the 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 2011. No incident of non-compliance by Directors and relevant employees was noted by the Company during the six months ended 30 June 2011.

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 2011.

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

Except for the share placement as announced by the Company on 11 January 2011, 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 2011.

INTERIM DIVIDEND

The Board of Directors has resolved to declare an interim dividend of 8.0 HK cents (2010: 5.0 HK cents) per share for the six months ended 30 June 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 19 September 2011 to 21 September 2011 (both days inclusive) during which period no transfer of shares will be registered. 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 16 September 2011. Dividend warrants are expected to be despatched to the shareholders of the Company on 22 September 2011.

PUBLICATION OF THE RESULTS ANNOUNCEMENT AND INTERIM REPORT

This results announcement is published on the websites of the Company at *www.trinity-limited.com* and Hong Kong Exchanges and Clearing Limited at *www.hkexnews.hk*. The 2011 Interim Report will be despatched to the shareholders of the Company and available on the same websites on or about 9 September 2011.

By Order of the Board
Victor FUNG Kwok King
Chairman

Hong Kong, 25 August 2011

As at the date of this announcement, the Board comprises four executive directors, namely Mr WONG Yat Ming, Mr Bruno LI Kwok Ho, Mr Danny LAU Sai Wing 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 Jose Hosea CHENG Hor Yin and Mr Jean-Marc LOUBIER; and three independent non-executive directors, namely Mr Patrick SUN, Mr Cassian CHEUNG Ka Sing and Mr Michael LEE Tze Hau.

** For identification purposes only*