



For immediate release

TRINITY ANNOUNCES 2015 ANNUAL RESULTS

Group takes proactive measures to mitigate loss, and implements strategy to offset market conditions in the medium to long term

Hong Kong, 21 March 2016 - Trinity Limited (“Trinity” or “the Group”; SEHK: 891), a leading retailer in Greater China and Europe and owner of premium menswear brands, today announced its financial results for the full year 2015. The Group continued to be negatively impacted by the dampened consumer spending environment in China, but has implemented a number of business improvement and restructuring reforms that will better position the Group for the long term.

Consistent with the profit alert issued in June 2015, the Group incurred a loss of HK\$88.5 million. During the year under review the Group’s revenue was HK\$1.9 billion. Gross profit was HK\$1.4 billion, compared with HK\$1.9 billion in 2014.

The loss was largely attributable to slower growth in the Chinese Mainland, the Group’s principal market, one-off restructuring costs and the impact of RMB depreciation. Trinity Limited’s Chief Executive Officer, Mr Richard Cohen, noted that while the Group implemented a number of measures to mitigate against the expected decline in consumer spending, the impact on same store sales in the last quarter of 2015 was much more significant than the retail sector predicted, leaving almost no scope for the Group to offset the sudden reduction in revenue.

Mr Cohen commented that the overall performance was in line with that experienced by the wider high-end and premium retail sectors. He noted, “Our results, along with others in the industry, are disappointing but not wholly unexpected. Looking forward, we believe there are significant international wholesale, franchising and retail opportunities for the Group in the long term, and we will continue to work to ensure our brands are well placed to take advantage of these.”

Proactive efficiency measures

The Group undertook a number of efficiency measures in 2015, including improvements to sourcing and inventory management. This included a restructuring exercise to consolidate key functions and further reduce staff costs, which resulted in one-off full year costs of HK\$60 million.

The Group has also reduced its selling, marketing and distribution, general and administrative expenses, and closed non-performing stores, resulting in a reduction from 399 stores as at 31 December 2014 to 349 as at 31 December 2015.

Mr Cohen commented: “In foreseeing the difficult climate, we made a number of cost savings improvements that will contribute to the long term financial health of the Group, and which have enabled us to maintain gross profit margins above 70% despite the difficult retail environment.”

Implementing a global strategy

In the long term, the Group has set out a new global strategy to generate more sales abroad, while maintaining a focus on the Chinese consumer. Mr Cohen said: “The growing middle class in China is increasingly travelling abroad, so our strategy is to continue to engage with these core customers when they travel, while also reaching out to new clientele.”

Related to this global strategy, in September 2015 the Group announced it has signed an exclusive five-year agreement that will see international sports icon David Beckham play a multifaceted role in driving Trinity’s Kent & Curwen business globally. His involvement is expected to have a positive impact on the brand’s performance in the medium term.

Mr Cohen commented that the Group remains focused on continuing to adapt to meet the changing demands of the Chinese consumer, and is confident that the strategy it has put in place in 2015 will better position the Group to generate sustainable returns in the medium- to long-term.

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About Trinity Limited

Trinity Limited, a publicly-listed company on the Stock Exchange of Hong Kong and a member of the privately-held Fung Group, is one of the leading retailers of premium menswear brands serving Greater China and Europe, as well as licensing its fully owned brands globally. The Group manages four international menswear brands, namely Cerruti 1881, Kent & Curwen and Gieves & Hawkes, which are self-owned, and D'URBAN which is operated under a long-term licence in Greater China.

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