

GIEVES & HAWKES

KENT & CURWEN

CERRUTI 1881

D'URBAN

Trinity Limited
Incorporated in Bermuda
with limited liability
Stock Code: 891



INTERIM REPORT

2019



A Ruyi Group Company


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Group Business Review

Company

- Achievement of profit turnaround
- Success of optimization and restructuring strategies
- Recruitment of industry veterans
- Strengthened online presence
- New pricing and discount strategy
- Introduction of unisex clothing
- Provision of bespoke and made-to-measure clothing



Financial
Results

Financial Results

Sales and gross margin analysis

HK\$ million	Total Sales		Change in Total Sales %	Gross margin %		Store Network	
	1H 2019	1H 2018		1H 2019	1H 2018	2019 30 Jun	2018 30 Jun
Retail							
Chinese Mainland	318.0	386.9	(17.8%)	72.3%	67.2%	152	181
Hong Kong & Macau	231.7	271.4	(14.6%)	75.3%	70.4%	32	37
Taiwan	57.6	70.4	(18.2%)	68.5%	65.1%	40	37
Rest of the World	61.3	67.9	(9.8%)	57.2%	55.5%	8	12
RETAIL SUBTOTAL	668.6	796.6	(16.1%)	71.6%	67.1%	232	267
Wholesale and Licensing	360.7	93.5	+285.9%				
GROUP TOTAL	1,029.3	890.1	+15.6%				

- Group retail business recorded a 16.1% decrease
- Retail sales impacted by closure of non-performing stores
- Single digit same store sales decline as a result of the short term impact of the change in discount strategy and unstable consumer market
- Retail gross margin improved by 4.5% to 71.6%
- Significant increase in wholesale revenue due to the expansion of distribution channels

Financial Results

Cost reduction

- Reduce the headcounts from 2,117 to 1,667

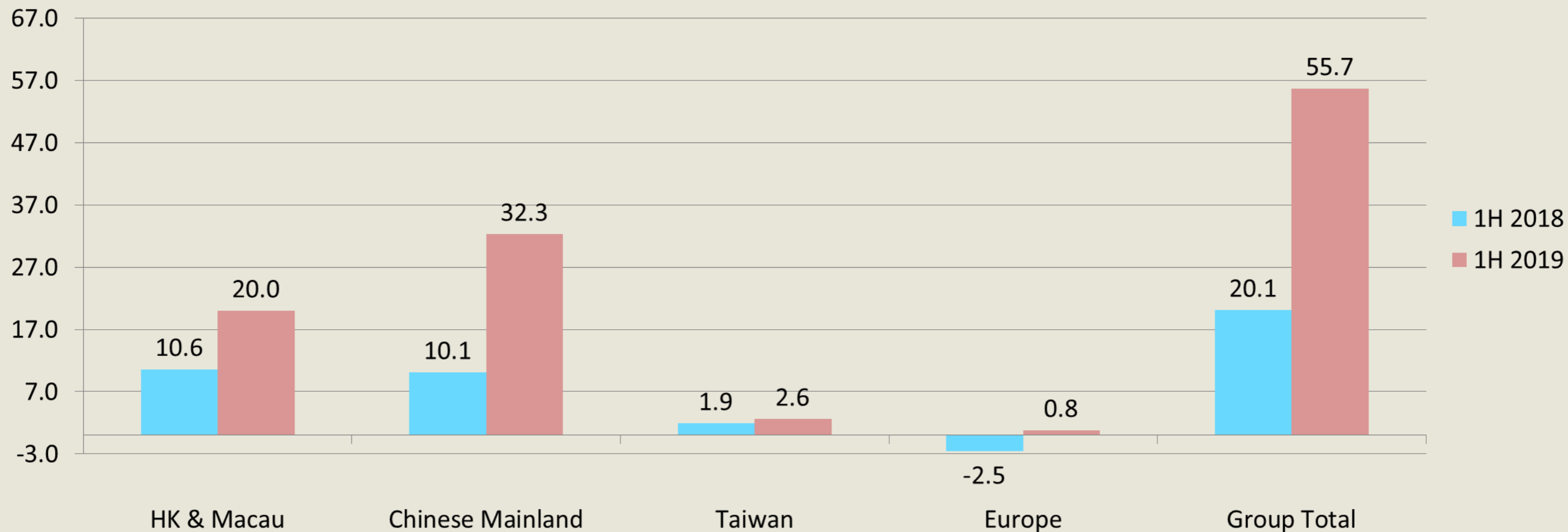
	Asia		Europe		Total	
	1H 2019	1H 2018	1H 2019	1H 2018	1H 2019	1H 2018
Retail staff	1,106	1,332	49	57	1,155	1,389
Office staff	397	612	115	116	512	728
Total	1,503	1,944	164	173	1,667	2,117

- Closed down 3 regional offices in Mainland China (Guangzhou, Chengdu, Beijing)
- Outsourced logistics and warehouse services
- Closure of non-performing stores (total store number - 30 Jun 2019: 232, 30 Jun 2018: 267)

Financial Results

Retail Channel Contributions

HK\$ million

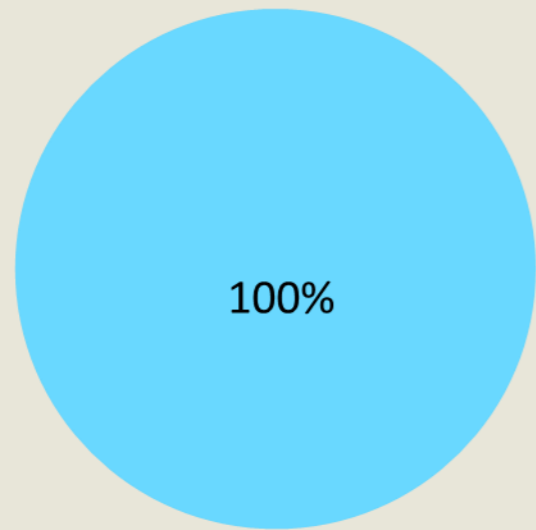


- Despite the overall decline in retail sales, contributions from the retail channel increased from HK\$20.1 millions to HK\$55.7 millions as a result of the improved gross margin and cost reduction

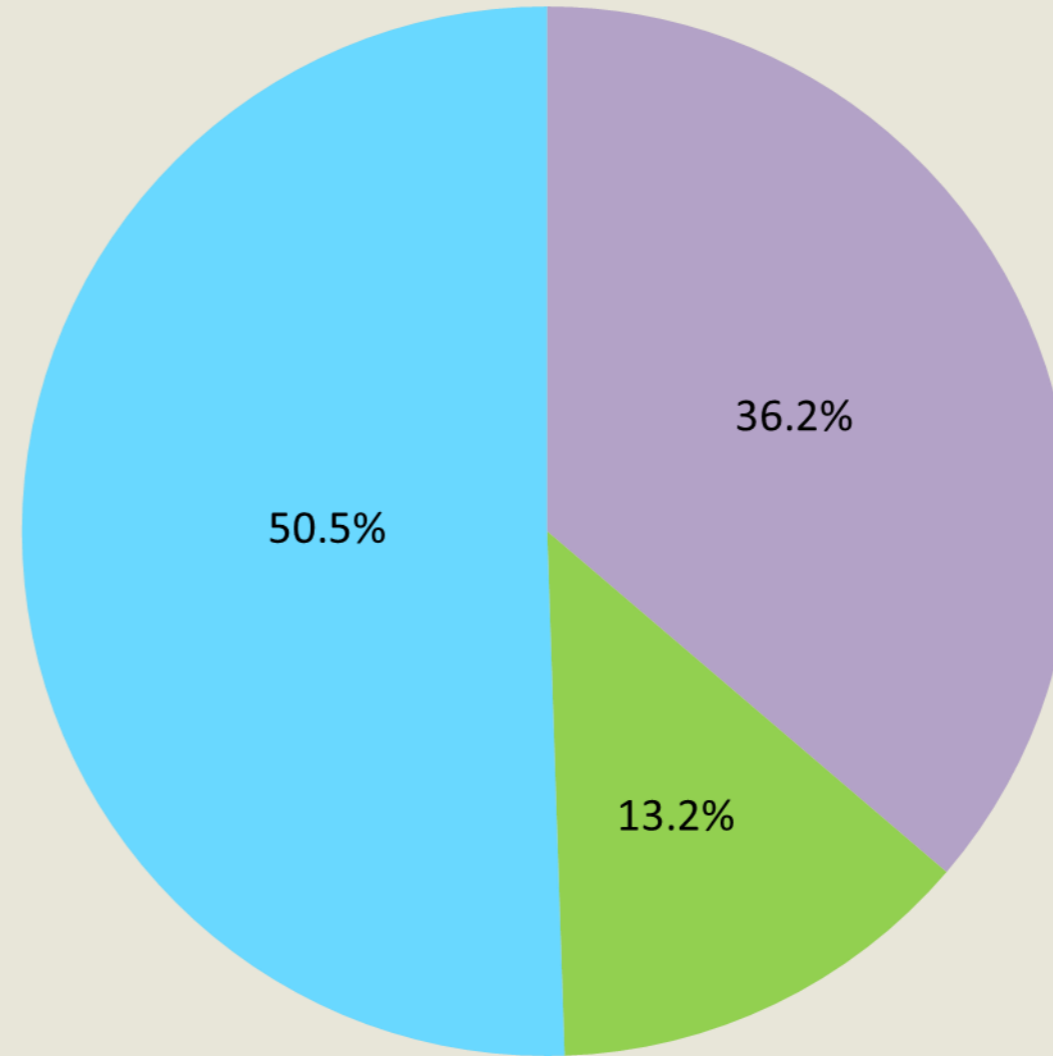
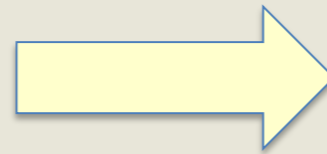
Financial Results

Wholesale Channel Contribution

Sales by nature



1H 2018



1H 2019

- Corporate client in Mainland China
- Ecommerce Wholesale
- Regional distributors and stock clearance channels

- Increase in sales was mainly due to the sales to new distributors and corporate clients
- Wholesale contribution improved to HK\$149.1 millions

Financial Results

Financials

HK\$ million

	1H 2019	1H 2018	19 vs 18 Variance
Revenue	1,029.3	890.1	+15.6%
Gross Profit	703.1	619.3	+13.5%
<i>Gross margin</i>	68.3%	69.6%	(1.3 pp)
<i>Retail gross margin</i>	71.6%	67.1%	+4.5 pp
Core Operating Profit/(Loss)	111.8	(160.4)	na.
Profit/(Loss) Attributable to Shareholders	76.6	(196.8)	na.

- Core operating profit significantly improved from a loss of HK\$160.4 millions to a profit of HK\$111.8 millions

Opportunities and Challenges

- Shift towards casual wear
- Increased demand for customisation
- Rising importance of key opinion leaders
- Fast-evolving omnichannel platforms
- Unstable consumer markets
- Fragile macro-economy
- RMB depreciation