

Restructuring - Wise Initiative to Protect Interests of Stakeholders

Shandong Ruyi Group acquired Hong Kong Trinity Group in 2018. It is the only premium menswear brand holding group in Greater China and owns Gieves & Hawkes, Kent & Curwen, Cerruti 1881 and other world-renowned brands. Since the acquisition, Ruyi Group, as the controlling shareholder, has taken its advantages of industrial chain and internationalization, especially with the synergy in China market, to promote reforming measures and support Trinity's performance improvement. After completing the acquisition, a total of HK\$1 billion of bank loans were repaid, which greatly reduced liabilities and financial costs.

In December 2020, Standard Chartered Bank filed a winding-up petition against Trinity Limited to the court. In the following three months, the company has been actively responding and maintaining close communication with Standard Chartered Bank, in order to achieve satisfactory results. In fact, at the end of last month, the company has successfully obtained adjournment of hearing of the winding-up petition from Standard Chartered Bank, ensuring that both parties can continue to implement constructive negotiations, and hope that both parties will eventually reach a reasonable consensus to completely resolve the matter.

While both parties are actively conducting friendly negotiations, the company further protects the interests of employees, the company, other creditors and investors. The company submitted an application to the Supreme Court of Bermuda on March 8, 2021 (Bermuda time) to appoint provisional liquidator for the purposes of restructuring on a light touch basis (this measure is widely known as "restructuring" or "bankruptcy protection").

If the "restructuring" application is accepted by the court, the provisional liquidator will actively perform its supervisory duties and reasonably assist the company to complete the financial restructuring, and the company's board of directors and management continue to be responsible for operating the business. In other words, the company will continue to operate as usual. Thus "restructuring" is indeed a wise initiative that can best protect the interests of all stakeholders (including customers, suppliers, employees, investors, banks, etc.).

Ruyi Group, the controlling shareholder of the company, fully supports the company's initiative to benefit all parties, and indicates that their support to the businesses of the company remains the same as before and will not change. After Ruyi Group became a major shareholder, through a series of reforms such as the optimization and adjustment of its business model and organizational structure, it turnaround the business in the fourth quarter of 2018 and recorded a profit in 2019. Ruyi Group will continue to strive to improve the company's profitability and international development, and assist the company to develop new business models and expand the company's revenue sources: including e-commerce business, made to measure business, etc.

The company firmly believes that with the support of all stakeholders, Trinity will be able to achieve another highest record!