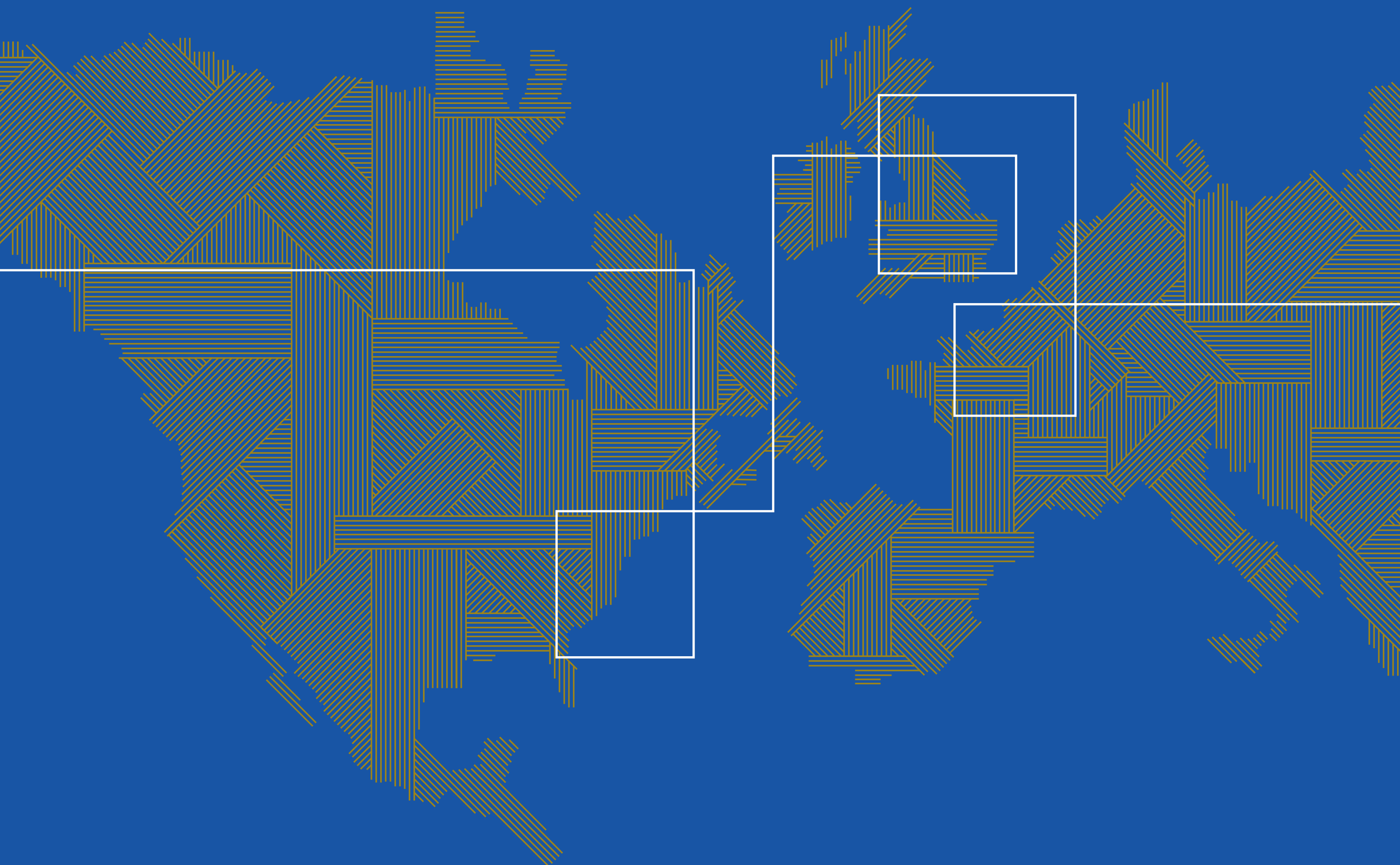
TRINITY

INTERIM REPORT 2013



TRINITY LIMITED

(Incorporated in Bermuda with limited liability)

Stock Code: 891

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Global Offices

CHINESE MAINLAND
BEIJING, CHENGDU, GUANGZHOU, SHANGHAI, WUHAN

FRANCE PARIS

HONG KONG, SAR

SINGAPORE

TAIWAN TAIPEI

UNITED KINGDOM LONDON

A Fung Retailing Company

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GH

GIEVES &
HAWKES

D'URBAN

DU

CR

CERRUTI
1881

KC

KENT &
CURWEN

GLOBAL BRANDS.
GLOBAL NETWORKS.

FRANCE PARIS ENGLAND BATH BICESTER BIRMINGHAM CHESTER EDINBURGH LIVERPOOL LONDON WINCHESTER YORK CHINESE MAINLAND BAODING BAOTOU BEIJING CHANGCHUN CHANGSHA CHANGZHOU CHENGDU CHONGQING DALIAN DANDONG FOSHAN FUZHOU GUANGZHOU GUIYANG HAIKOU HANDAN HANGZHOU HARBIN HEFEI HUHEHAOTE HUIZHOU HUZHOU JILIN JINAN JINHUA JINJIANG KUNMING LANZHOU NANCHANG NANJING NANNING NANTONG NINGBO ORDOS PANJIN QINGDAO SHANGHAI SHANGYU SHENYANG SHENZHEN SHIJIAZHUANG SUZHOU TAIYUAN TAIZHOU TANGSHAN TIANJIN URUMQI WENZHOU WUHAN WUXI XIAMEN XIAN XINING YANCHENG YANGZHOU YANTAI YICHANG ZHENGZHOU ZHOUSHAN HONG KONG MACAU TAIWAN BANQIAO HSINCHU KAOHSIUNG TAICHUNG TAINAN TAIPEI

corporate information

Executive Directors

WONG Yat Ming
(Group Managing Director)

Bruno LI Kwok Ho
(Chief Financial Officer)

Danny LAU Sai Wing
(Chief Operating Officer)

Sabrina FUNG Wing Yee

Non-executive Directors

Dr Victor FUNG Kwok King *GBM, GBS, CBE*
(Chairman)

Dr William FUNG Kwok Lun *SBS, OBE, JP*
(Deputy Chairman)

Jose Hosea CHENG Hor Yin

Jean-Marc LOUBIER

Independent Non-executive Directors

Cassian CHEUNG Ka Sing

Michael LEE Tze Hau

Eva LI Kam Fun

Patrick SUN

Group Chief Compliance Officer

Srinivasan PARTHASARATHY

Company Secretary

Christiana YIU Yuen Wah

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal Place of Business

30/F, OCTA Tower
8 Lam Chak Street
Kowloon Bay, Kowloon
Hong Kong

Website

www.trinitygroup.com

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited

The Bank of Tokyo-Mitsubishi UFJ, Limited

Standard Chartered Bank (Hong Kong) Limited

Bank of China (Hong Kong) Limited

Citibank, N.A.

Legal Adviser

Mayer Brown JSM

Auditor

PricewaterhouseCoopers
Certified Public Accountants

Revenue

1,338

HK$ million

Gross profit

1,009

HK$ million

Profit attributable to shareholders

150

HK$ million

Dividend per share

4.5

HK cents

highlights

Highlights of results for the six months ended 30 June 2013

	2013	2012 (Restated) Note	% change
Revenue (HK$ million)	1,338	1,367	-2.1%
Gross profit (HK$ million)	1,009	1,083	-6.8%
Gross margin (%)	75.4%	79.2%	
Operating profit (HK$ million)	175	303	-42.2%
Operating margin (%)	13.1%	22.2%	
Profit attributable to shareholders (HK$ million)	150	265	-43.4%
Profit attributable to shareholders (%)	11.2%	19.4%	
Basic earnings per share (HK cents)	8.7	15.5	
Interim dividend per share (HK cents)	4.5	8.0	

Note: The comparatives have been restated to reflect the effect of adoption of revised accounting policy in 2013. See Note 3(a) to the condensed consolidated financial information.

Store numbers as at 30 June 2013

Kent & Curwen
139

115 Chinese Mainland
14 Hong Kong & Macau
10 Taiwan

Cerruti
129

107 Chinese Mainland
10 Hong Kong & Macau
11 Taiwan
1 Europe

Gieves & Hawkes
125

96 Chinese Mainland
8 Hong Kong & Macau
9 Taiwan
12 Europe

D'URBAN
60

43 Chinese Mainland
7 Hong Kong & Macau
10 Taiwan

Intermezzo
10

8 Chinese Mainland
2 Hong Kong & Macau

Total for the Group
463

369 Chinese Mainland
41 Hong Kong & Macau
40 Taiwan
13 Europe

chairman's statement

The economic slowdown in the Chinese Mainland affected the luxury retail industry during the first half of 2013, and Trinity's results during the period were also subdued. However, we remain confident that our medium- to long-term strategic direction for the Group is the right one. The Chinese Mainland continues to move toward an economy driven by domestic consumption rather than investment and exports. When combined with rising wages, the result is going to be a significant improvement in consumers' spending power. Analysts also expect that the Chinese Mainland's retail market will grow at double-digit rates over the next few years, overtaking the US as the world's largest luxury consumer market by 2016. We believe that Trinity is well positioned to take advantage of these opportunities.

We are deepening our collaboration with British Heritage Brands, Inc. ("BHB"), which is experienced in developing global menswear brands, to drive Kent & Curwen's expansion in the US and Europe. We have also appointed leading creative and artistic directors from major fashion houses to head Gieves & Hawkes and Cerruti respectively. These initiatives will help strengthen these two brands and their customer affinity in the international fashion capitals, boosting sales around the world and in the Chinese Mainland as a result.

Business Overview

During the period under review, retail revenue from the Chinese Mainland decreased by 10.6%, accounting for 57.2% of the Group's total retail revenue in Greater China. Retail revenue from Hong Kong and Macau increased by 1.7%, while retail revenue in Taiwan decreased by 4.5%.

Gross margin across the Group decreased, and profit attributable to shareholders decreased by 43.4% to HK$150.0 million compared to the first six months of the year in 2012. The slowdown of the Chinese Mainland market contributed to the decline in profit attributable to shareholders, along with lower shared profits from Salvatore Ferragamo joint venture companies due to our partial share sale in late December 2012. Another contributing factor in the decrease was our decision to make investments in Europe for Gieves & Hawkes and Cerruti.

Review of the Retail Market in Greater China

Luxury retail in the Chinese Mainland has performed well over a long period, although the market environment has been more challenging recently. Growth in gross domestic product has slowed down due to cooling measures, structural reforms and weak external demand from the US and the Eurozone. Spending has declined as a result, and austerity policies from the new leadership in Beijing have had a tangible effect on consumer sentiment toward high-end products. As expected, all of these factors have significantly impacted the sales and profit of those operating in the market's luxury retail segment.

While business and the wider economy are likely to remain slow throughout 2013, we believe there are better times ahead in the medium- to long-term. There are currently 230 million people defined as middle class in the Chinese Mainland today, but in 10 years' time this number is forecast to grow to 630 million. With the pie becoming this much bigger, the opportunity for industry leaders like Trinity is significant. Although Trinity's business lies at the high-end to luxury retail sector, there is a large and growing group of consumers at the top of the middle-class bracket who find the quality products offered by Trinity's portfolio to be affordable. This trend is one that we see fuelling our growth in the future.

In 2012 we created a "Global Brands, Global Networks" strategy for the three wholly owned brands in our portfolio, Kent & Curwen, Gieves & Hawkes and Cerruti. It focuses on building their international presence, especially in important fashion centres like New York, London and Paris. Marketing these brands and telling their stories on a global scale is made somewhat easier by the fact that each has a very distinct and authentic heritage.

The Group is in the midst of several important initiatives that will bring its brands and their legacies even greater exposure. This year we had success in the UK with Gieves & Hawkes, which generated significant publicity around its new creative director, Mr Jason Basmajian. We are revamping and re-organising Cerruti, which made a strong impact at both Paris Men's Fashion Weeks under its new artistic director, Mr Aldo Maria Camillo. Our partnership with BHB with an experienced veteran management team will further expand Kent & Curwen's presence in the US and Europe. While the business environment has been challenging in 2013, the amount of progress we have made to strengthen our most important strategic brands is highly encouraging and positions Trinity well for future growth.

Sustainability

Trinity is proud of its efforts to build a sustainable, responsible company, and of its employees who take part in these initiatives. The Group focuses on three core pillars: employee relations, the environment and the community. During the period under review we made substantial headway growing these programmes and enhancing their positive impact on society.

As a member of the Fung Group, we are a committed participant in the United Nations Global Compact, whose key principles include human rights, labour, the environment and anti-corruption. Trinity also takes great care to track and manage its carbon emissions throughout all operational processes, monitoring supplier safety and environmental compliance through its Code of Conduct, which sets clear standards based on accepted local and international regulations.

Outlook

The remainder of 2013 is challenging. The Chinese government under new leadership has instituted a number of policies that may slow short-term economic growth for long-term sustainability. There also does not appear to be any sign that the more subdued growth which has characterised the Chinese Mainland in recent months will end anytime soon. However, the investments we are now making will put the Group in an even stronger position once the Chinese Mainland resumes a sustainable trend of higher pace of growth. We are cautious about our prospects for the rest of 2013 but more optimistic about our performance for the years beyond.

I would like to take this opportunity to thank my colleagues at Trinity for their hard work and dedication. This has been a difficult period for the Group, but I firmly believe that we are on the right track, with a sound business strategy and an enviable portfolio of increasingly global brands. This makes me confident that our hard work now will produce results in the longer term.

Victor FUNG Kwok King
Chairman
Hong Kong, 21 August 2013

management discussion and analysis

In the first half of 2013 Trinity continued to strive towards achieving its strategic objective to take global its leading portfolio of high-end to luxury brands. Despite a weakened economy, particularly in Chinese Mainland, Trinity has focused its efforts on cultivating the global growth of its fully owned brands, namely Kent & Curwen, Gieves & Hawkes and Cerruti by investing in its strong management team and marketing and promotional activities. The Group is expanding its store network in the world's fashion capitals and executing marketing campaigns that are catching the attention of high profile advocates around the globe. These efforts will prove invaluable in coming years to attract aspirational Chinese Mainland consumers.

The economic slowdown of the Chinese economy has impacted consumer sentiment. The Chinese Government's austerity measures have also had a dampening effect, and they have hit the luxury sector. The Group's financial performance has suffered as a result of these challenging market conditions.

Summary of Financial Results

The Group's revenue from Greater China decreased by 6.2% and after adding the increase in revenue from Europe, the Group's total revenue decreased by 2.1%. The increase in revenue from Europe was mainly due to the full six months consolidation of Gieves & Hawkes business in the United Kingdom this year following its acquisition in May 2012. Lower revenue from Greater China was mostly caused by drop in same-store sales from the Chinese Mainland of 10.2% and Taiwan of 6.3%. The Hong Kong and Macau market was more resilient with same-store sales growth of 4.0%.

The Group's gross margin was 75.4% in the first half of 2013, down from 79.2% achieved in the corresponding period in 2012. The adverse market conditions sparked more intense price competition in the industry which impacted gross margin. Moreover the Group made more stock provision following the same prudent policy. Gross margin remained stable in the past 12 months ended 30 June 2013 if excluding the effect of stock provision movement. Gross margin before stock provision for the first half of 2013 was 76.4%, compared to 76.8% achieved in the second half of 2012.

Selling and marketing expenses amounted to HK$627.5 million in the first half of 2013, representing a 3.2% increase compared with the same period in 2012. In terms of percentage of revenue, the ratio increased from 44.5% to 46.9%. The increase was due to a drop in cost efficiency as a result of weakening sales.

Administrative expenses increased by 19.7% year on year and increased in terms of proportion of revenue from 15.3% to 18.8%. The increase was mainly due to the addition of senior positions in Europe for Cerruti and Gieves & Hawkes as well as the consolidation of full six months of administrative expenses in Gieves & Hawkes business in the United Kingdom which was acquired in May 2012.

Share of profit of associates/jointly controlled entities decreased by 62.1% to HK$11.9 million as a result of the disposal of 30.0% of the Group's shareholding in the Salvatore Ferragamo joint venture companies in December 2012.

Other gains – net increased by 153.8% to HK$20.5 million. The increase was mostly attributable to foreign exchange gains resulting from Renminbi appreciation during the period.

Profit attributable to shareholders was HK$150.0 million, a drop of 43.4% year on year. The decrease in gross profit as well as share of profit of associates/jointly controlled entities were HK$74.0 million and HK$19.5 million respectively while an increase in expenses contributed to the drop of HK$61.1 million which was mitigated by a reduction of HK$35.4 million tax charge.

Inventory Management

The improvement in stock management resulted in a decrease of the Group's inventory turnover to 352 days which was 55 days lower compared with the same period in 2012. Total inventory amounted to HK$618.4 million.

Financial Position and Liquidity

Despite a substantial fall in profit, the level of net cash generated from operating activities was HK$89.6 million, HK$9.0 million lower than the HK$98.6 million achieved in the same period in 2012. This was primarily the result of the reduction in working capital employed and a decrease in corporate income tax payment. Net debt to equity ratio, equal to net debt divided by total equity, was 1.6% as at 30 June 2013.

The Group has secured banking facilities of HK$1,880.5 million. As at 30 June 2013, HK$668.9 million of the available banking facilities were unutilised.

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. As interest rate volatility was expected to be limited, no hedging activities were taken during the reporting period.

Credit Risk Management

While trade receivables from department stores continue to pose a credit risk, the Group is also exposed to risks arising from receivables owed by licensees from its European licensing business. The Group has established procedures to evaluate and monitor its credit risk in order to minimise exposure.

Trade receivables turnover days improved from 28 days for the year ended 31 December 2012 to 21 days for the period ended 30 June 2013. Outstanding trade receivables over three months old marginally decreased by HK$0.9 million, with 9.0% of total trade receivables at 30 June 2013 compared to 6.6% at 31 December 2012.

All cash and cash equivalents were deposited with major international banks.

Purchase of Convertible Promissory Note

Our continued commitment and collaboration with British Heritage Brands, Inc. ("BHB") to expand Kent & Curwen into the United States and Europe involves purchase of convertible promissory note issued by BHB. This arrangement means Trinity could potentially own 23.94% of BHB after conversion of convertible promissory note into equity. It provides an opportunity to participate in profit-sharing with a partner that has extensive experience in developing global menswear brands. The Group signed a licensing arrangement with BHB in 2012 to enter the United States and strengthen its presence in Europe, markets where the BHB management has significant experience.

Geographical Analysis for the Retail and Licensing Businesses

Revenue

While Hong Kong & Macau managed to achieve a 1.7% growth in retail revenue, Chinese Mainland and Taiwan suffered declines of 10.6% and 4.5% respectively. Meanwhile, retail revenue in Europe increased by 98.8% due to the acquisition of Gieves & Hawkes business in the United Kingdom in May 2012. The contribution of revenue from Europe increased to 11.4% of total revenue, representing 3.8 percentage points growth over the same period of 2012. The Group's fully owned brands contributed 90.0% of its total revenue.

Gross Margin

The Group recorded a decline in its retail gross margin in Greater China to 75.9% due to adverse market conditions and an increase of stock provision which accounted for 1.6% of the gross margin decline. The retail gross margins for Hong Kong & Macau, the Chinese Mainland, Taiwan and Europe were 78.6%, 75.3%, 69.8% and 55.3% respectively.

Segment earnings before finance costs – net and income tax expense ("Segment contribution")

Segment contribution decreased by HK$154.2 million. The regions suffered most were Chinese Mainland and Europe due to weakened market sentiment and the Group's infrastructure investment respectively.

Building Brand Equity

Trinity has embarked upon intensive brand-building programmes for Gieves & Hawkes, Kent & Curwen and Cerruti, a campaign that represents a substantial part of the "Global Brands, Global Networks" strategy. We believe that investing in building international cachet, driving consumer awareness and improving visibility worldwide is critical for the fully owned brands under our portfolio. This is a major part of our long-term business strategy and a cornerstone of our future success.

One of the most significant events for Gieves & Hawkes was the joining of a new creative director, Mr Jason Basmajian in January 2013. He made an immediate impact for the brand among international media, starting with a fashion presentation for the Fall/Winter 2013 collection at the Connaught Hotel in April 2013.

Gieves & Hawkes' three Royal Warrants were in the limelight as it was one of the key brands to have its own exhibition at the Queen's Coronation Festival at Buckingham Palace. The four-day event was graced by Her Majesty, achieving worldwide press coverage and further solidifying the Gieves & Hawkes name with royal prestige.

During the most recent edition of London Fashion Week in June 2013, Gieves & Hawkes presented at "London Collections: Men" with a press presentation for media and leading buyers while Kent & Curwen also showed 20 looks including 15 cricket looks in honour of the brand's sports heritage.

The Kent & Curwen studio and showroom located at Trump Tower in New York attracted many US department stores to carry the Fall/Winter 2013 collection. In the autumn of 2013, a new store located at No. 2 Savile Row in London, next door to stable mate Gieves & Hawkes at No. 1 and another flagship at No. 816 Madison Avenue, New York, both designed by the late celebrated architect and interior designer David Collins, will be opened. The annual Kent & Curwen Centenary Sprint Cup was held in Hong Kong in January 2013. The Kent & Curwen Royal Charity Polo Cup, held in July 2013 at Lord and Lady Andrew Lloyd Webber's estate in the United Kingdom was supported by HRH Princes William and Harry. Both events drew significant media attention reinforcing the brand's authentic sports heritage.

In January 2013, Cerruti participated in Men's Fashion Week in Paris by launching the first collection by new artistic director Mr Aldo Maria Camillo, which generated a significant amount of reviews from press across Europe and Asia. In June 2013, the Group followed this with the second show in Paris, extending its audience to include potential wholesale customers. The show was a great success, attracting leading media and celebrities.

D'URBAN launched a Spring/Summer 2013 advertising campaign featuring Japanese model Motoyasu Norimatsu, which was supported by a collection exhibition in fashionable malls in Taipei and Chengdu.

Corporate Social Responsibility and Sustainability Initiatives

Trinity focuses on three core areas of corporate social responsibility: employee practices, the environment and the community. During the six months ended 30 June 2013, the Group had organised six events related to employee relations, with particular emphasis on work-life balance and health and fitness; six events related to the environment, including always-popular tree planting activities and Earth Hour participation; and 11 activities related to community, such as disaster relief, working with the underprivileged, and child-centric initiatives.

Trinity employees have been getting more and more involved as the Group introduced initiatives on giving back to the community. During the six months ended 30 June 2013, the number of organised Group community events had risen 44% year on year, staff participation in these events had increased 23%, and the total number of hours volunteered went up 24%.

Environmental protection and conservation is something we take very seriously – so much so that it has influenced our product design and development. Gieves & Hawkes has introduced bamboo fibre of up to 8% of its Spring/Summer 2013 range of products. For Cerruti, over 50% of the Spring/Summer 2013 collection uses natural fibres including bamboo, and brand labels comprise at least 50% recyclable materials. The Group as a whole has also started using sustainable material in its packaging. This year, over 50% of Trinity's plastic bags are biodegradable. We will continue to look at other ways that we can reduce our environmental footprint.

Human Resources

The success of the Group's "Global Brands, Global Networks" strategy requires developing managers and leaders who can balance local know-how with an international outlook. In this respect, we continued our management training programme – Trinity Elite Lessons in Leadership during the first half of 2013 in Hong Kong and Shanghai. It gives participants the opportunity to travel to other business locations, meet with other staff and managers in the region, and to make connections around the Group's network.

The Group has various initiatives supporting staff to maintain work-life balance. This year, a number of activities held such as rice dumpling-making for the Dragon Boat Festival, cakepop-making for Mother's Day with a tai chi class held in the latter half of the year. Employees have also found fun and social responsibility values through company-organised community activities, such as School Beautification Program with Habitat for Humanity and painting with people with intellectual disabilities with Hong Chi Association.

Information Technology

This year we successfully deployed an auto-replenishment system for core items, which supports operations by monitoring stock levels at stores. This ensures that weekly sales demand can be met by recommending stock allocations for stores and prompting the product development team to place factory orders when stock falls to pre-determined levels.

In addition, the Group will also be distributing tablets with pre-installed mobile apps to stores so that customers can be shown the latest product information and brand news. These tablets will also have a VIP registration function to make it easy for staff to collect data from valued customers and enhance Trinity's customer loyalty database.

Prospects

With rising disposable income in the Chinese Mainland and a rapidly increasing number of Chinese travellers, the visibility of our brands overseas is a top priority. This is the strategic rationale for our "Global Brands, Global Networks" strategy.

We are excited about the potential of Kent & Curwen in the US and Europe through our deepening partnership with BHB which has expertise and experience with global menswear brands. We will enjoy new wholesale and retail opportunities in those developed economies while further building the Kent & Curwen brand globally. With the addition of two flagship stores, one each in London and New York in the second half of the year, and a quality line of European-made garments crafted to American preferences, we are optimistic on the prospects in those markets.

Trinity's marketing efforts for Gieves & Hawkes and Cerruti are also showing results based on excellent media reports and word-of-mouth from major events. There is little doubt that these brands' global profile will only grow higher as the Group continues to expand its network and marketing efforts.

At the same time as the Group is building a solid foundation for future growth, we recognise the difficulties of the current economic and retail market environments. We will maintain a very close eye on costs, and we will continue to vigilantly control inventory. We are reviewing our store network regularly, identifying markets for expansion and looking for ways to optimise locations wherever possible.

Recent times have been challenging for Trinity and the industry, but the Group remains firmly committed to its long-term "Global Brands, Global Networks" strategy as the correct course for its business. We will continue building equity behind our leading portfolio of high-end to luxury menswear, investing significantly in brand building to ensure a highly successful future for Trinity.

corporate governance report

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. Corporate governance practices adopted by the Company during the six months ended 30 June 2013 are in line with those practices set out in the Company's 2012 Annual Report, and are also consistent with the principles set out in the Corporate Governance Code ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The Board

The Board is composed of the Non-executive Chairman, four Executive Directors, three Non-executive Directors and four Independent Non-executive Directors. The role of the Chairman, held by Dr Victor FUNG Kwok King, is separate from that of the Group Managing Director, held by Mr WONG Yat Ming, in order to reinforce their respective independence, accountability, and responsibility, and to enhance the corporate governance of the Board. Their respective responsibilities are clearly established and defined by the Board in writing. The Board held three meetings to date in 2013 (with an average attendance rate of 97%) to discuss the overall strategy as well as the operations and financial performance of the Group, and to consider and approve recommendations from the Board Committees. The Group Chief Compliance Officer, as appointed by the Board, attended all Board and Board Committee meetings to date in 2013 to advise on corporate governance matters covering risk management, internal controls and relevant compliance issues relating to financial reporting. The Board has established the following committees on 1 January 2009 with defined terms of reference, which are of no less exacting terms than those set out in the CG Code of the Listing Rules:

- Nomination Committee
- Audit Committee
- Remuneration Committee

The Committees comprise a majority of Independent Non-executive Directors and to further reinforce independence, all three Committees are chaired by Independent Non-executive Directors.

Nomination Committee

The Nomination Committee was established on 1 January 2009. Majority of the Committee members are Independent Non-executive Directors (with a Non-executive Director, Dr William FUNG Kwok Lun), as set out below:

Mr Michael LEE Tze Hau *(Chairman)*
Mr Cassian CHEUNG Ka Sing
Dr William FUNG Kwok Lun
Mr Patrick SUN

The Committee's written terms of reference cover recommendations to the Board on the appointment of Directors, evaluation of board composition (including diversity), monitoring of continuous professional development of Directors and senior executives and the management of board succession with reference to certain guidelines as endorsed by the Committee. These guidelines include appropriate professional knowledge and industry experience, personal ethics, integrity and personal skills, and time commitments of members. The Nomination Committee selects and recommends candidates for directorship including the consideration of referrals and engagement of external recruitment professionals when necessary.

The Committee met once to date in 2013 (with a 100% attendance rate) to review the board composition and the re-appointment of the retiring directors at the Annual General Meeting held in May 2013.

Audit Committee

The Audit Committee was established on 1 January 2009 to review the Group's financial reporting, internal controls and corporate governance issues, to consider issues relating to the external auditor, and to provide advice and make relevant recommendations to the Board. The majority of the Committee members are Independent Non-executive Directors (with two Non-executive Directors, Mr Jean-Marc LOUBIER and Mr Jose Hosea CHENG Hor Yin):

Mr Patrick SUN *(Chairman)*
Mr Cassian CHEUNG Ka Sing
Mr Michael LEE Tze Hau
Ms Eva LI Kam Fun
Mr Jose Hosea CHENG Hor Yin
Mr Jean-Marc LOUBIER

All Committee members possess appropriate professional qualifications – accounting or related financial management expertise – as required under the Listing Rules or industry expertise to advise on all the above matters.

The Audit Committee met three times to date in 2013 (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 reporting matters as set out in the Audit Committee's written terms of reference and make relevant recommendations to the Board. 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, the 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 2013 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.

Remuneration Committee

The Remuneration Committee was established on 1 January 2009 and majority of the Committee members are Independent Non-executive Directors (with a Non-executive Director, Dr Victor FUNG Kwok King), as set out below:

Mr Cassian CHEUNG Ka Sing *(Chairman)*
Dr Victor FUNG Kwok King
Mr Michael LEE Tze Hau
Ms Eva LI Kam Fun

The Committee's responsibilities as set out in its written terms of reference include the review of the Group's remuneration policy and approval of the remuneration policy for all Directors and senior management, the determination (with delegated responsibility) of the remuneration packages of individual executive directors and senior management, and the granting and allocation of share options under the Company's share option scheme. The Committee met once to date in 2013 (with a 100% attendance rate) to review the bonus payment to directors and senior management.

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 the adequacy and effectiveness of such system through the Audit Committee. Such system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and that it aims to provide reasonable but not absolute assurance against material misstatement, loss or fraud. Qualified personnel throughout the Group maintain and monitor this system of controls on an ongoing basis. The Board and management fully appreciate their respective roles and are supportive of the development of a sound and effective control environment. The Group operates within an established control environment, which is consistent with the principles outlined in "Internal Control and Risk Management – A Basic Framework" issued by the Hong Kong Institute of Certified Public Accountants. The scope of internal controls of the Group relates to primarily three major areas: (i) effectiveness and efficiency of operations; (ii) reliability of financial reporting; and (iii) compliance with group guidelines and policies (including the Group's sustainability initiatives), and applicable laws and regulations. Details of the Group's internal control and risk management processes are set out in the Corporate Governance Report on pages 36 to 38 of the Company's 2012 Annual Report. Based on the assessments made by the senior management and the CGD for the six months ended 30 June 2013, 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; and

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

Code of Conduct and Business Ethics

The Group places great emphasis on staff's ethical standards and integrity in all aspects of its operations. Guidelines of the Group's code of conduct, business ethics and Whistle Blowing Policy are posted on the Company's intranet for ease of reference and as a constant reminder to all staff members. All Directors and staff members are expected to share the same responsibilities and to comply with the code, ethical standards and policy at all times.

Directors' Securities Transactions

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 possess inside 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 2013. No incident of non-compliance by Directors and relevant employees was noted by the Company during the six months ended 30 June 2013.

Directors' Interests

Details of Directors' interests in the securities of the Company are set out in the Other Information section on pages 16 and 17.

Directors' Responsibility for Financial Statements

The Directors' responsibility for preparing the financial statements is set out on page 64 of the Company's 2012 Annual Report.

Directors' Training and Ongoing Development

All new Directors shall receive an induction briefing on the Group's structure, businesses and governance practices to enhance their knowledge and understanding on the Group's operations.

Directors' training is an ongoing process. During the period, Directors received regular updates on changes and developments to the Group's business. A training course was organised for all directors.

Compliance with the CG Code

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 CG Code contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2013.

Investor Relations and Communication

The Company has pursued a policy of promoting investor relations and communication by maintaining and holding regular dialogues and meetings with institutional investors, fund managers and analysts. The Company participated in investor conferences and arranged analysts' briefing after results announcements. The Company maintains a website (*www.trinitygroup.com*) to disseminate announcements, shareholder information, and other relevant financial and non-financial information electronically on a timely basis. Webcasts of results presentations are also made available on the website.

The Group is aware of its obligations under the Securities and Futures Ordinance and the Listing Rules, including the overriding principle that information which is expected to be inside information should be announced promptly and to prevent selective or inadvertent disclosure of inside information. Therefore, the Company conducts the handling and dissemination of such inside information in accordance with the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in June 2012 and adopted a Policy on Inside Information in January 2013. Members of management are identified and authorised to act as spokespersons and respond to related external enquiries.

Shareholders' Rights

As disclosed in the Company's prospectus dated 21 October 2009, the Company has adopted additional corporate governance measures to further strengthen the protection of independent shareholders' interests from any potential competition from the fashion retail business of the brands owned by the then controlling shareholder of the Company. Details of these measures are set out in the Corporate Governance Report on pages 28 and 29 of the Company's 2012 Annual Report. The Board has reviewed the Company's compliance with these additional corporate governance measures and confirmed that there was no non-compliance during the six months ended 30 June 2013.

Sustainability Initiatives

Being a socially responsible corporation, the Group is progressively integrating sustainability initiatives throughout its business while incorporating broader social and environmental matters into its day-to-day decision-making. Details of the Group's corporate social responsibility and sustainability initiatives are set out in the Management Discussion and Analysis section on page 10.

other information

Directors' Interests and Short Positions in Securities

As at 30 June 2013, the Directors and chief executive of the Company and their associates had the following interests in the shares, underlying shares, and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"):

Long Position in Shares and Underlying Shares of the Company

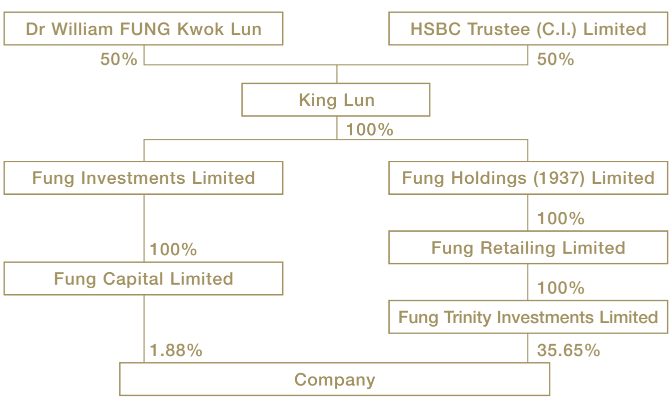
	Number of Shares					
Directors	Personal Interest	Family Interest	Corporate/ Trust Interest	Equity Derivatives (share options)	Total	Approximate Percentage of Issued Share Capital (%)
Victor FUNG Kwok King	–	–	649,027,555 [1]	–	649,027,555	37.53
William FUNG Kwok Lun	–	–	649,027,555 [1]	–	649,027,555	37.53
Sabrina FUNG Wing Yee	700,000	–	649,027,555 [1]	2,800,000	652,527,555	37.73
Jose Hosea CHENG Hor Yin	–	–	50,227,590 [2]	–	50,227,590	2.90
WONG Yat Ming	50,976,563	–	–	9,100,000	60,076,563	3.47
Bruno LI Kwok Ho	5,400,000	–	–	–	5,400,000	0.31
Danny LAU Sai Wing	–	–	–	2,000,000	2,000,000	0.11

Notes:

1. *The 649,027,555 Shares comprised 616,413,760 Shares held by Fung Trinity Investments Limited and 32,613,795 Shares held by Fung Capital Limited. King Lun Holdings Limited ("King Lun") through its indirect wholly owned subsidiaries, Fung Trinity Investments Limited and Fung Capital Limited, was interested in 649,027,555 Shares.*

   King Lun was owned as to 50% by HSBC Trustee (C.I.) Limited, the trustee of a trust established for the benefit of the family members of Dr Victor FUNG Kwok King and as to 50% by Dr William FUNG Kwok Lun. Therefore, each of Dr Victor FUNG Kwok King, Ms Sabrina FUNG Wing Yee (daughter of Dr Victor FUNG Kwok King and as his family member), and Dr William FUNG Kwok Lun was deemed to be interested in the said 649,027,555 Shares.

   The interests of Dr Victor FUNG Kwok King, Dr William FUNG Kwok Lun, and Ms Sabrina FUNG Wing Yee in the 649,027,555 Shares are summarised in the following chart:



2. *The 50,227,590 Shares were held by SperoTrinity Limited, a company wholly owned by Mr Jose Hosea CHENG Hor Yin. Therefore, Mr Jose Hosea CHENG Hor Yin was deemed to be interested in these Shares.*

Directors' Interests and Short Positions in Securities *(Continued)*

The interests of the Directors and chief executive in the share options (being regarded as unlisted physically settled equity derivatives) of the Company are detailed in the Share Options section.

Save as disclosed above, as at 30 June 2013, none of the Directors and chief executive of the Company or their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, at no time during the period under review, the Directors and chief executive (including their spouse and children under the age of 18) had any interest in, or had been granted, or exercised, any rights to subscribe for shares of the Company or its associated corporations required to be disclosed pursuant to the SFO.

Substantial Shareholders' Interests and Short Positions in Securities

As at 30 June 2013, other than the Directors and chief executive of the Company, the following persons had interests or short positions in the Shares as recorded in the register required to be kept under Section 336 of the SFO:

Shareholders	Capacity	Number of Shares	Approximate Percentage of Issued Share Capital (%)
Fung Trinity Investments Limited [1]	Beneficial owner	616,413,760 (L)	35.65
Fung Retailing Limited [1]	Interest of controlled corporation	616,413,760 (L)	35.65
Fung Holdings (1937) Limited [1]	Interest of controlled corporation	616,413,760 (L)	35.65
King Lun [1]	Interest of controlled corporation	649,027,555 (L)	37.53
HSBC Trustee (C.I.) Limited [2]	Trustee	649,027,555 (L)	37.53
JPMorgan Chase & Co [3]	Beneficial owner (8,567,000 Shares (L)	189,584,491 (L)	10.96
	and 2,935,000 Shares (S))	2,935,000 (S)	0.17
	Investment manager (62,748,000 Shares (L))		
	Custodian (118,269,491 Shares (P))		
T. Rowe Price Associates, Inc and its affiliates	Beneficial owner	89,692,000 (L)	5.18

(L) represents long position, (S) represents short position and (P) represents shares in lending pool

Notes:

1. *Fung Trinity Investments Limited was an indirect wholly owned subsidiary of King Lun, with Fung Retailing Limited and Fung Holdings (1937) Limited as the intermediate holding companies along the chain of ownership. Therefore, Fung Retailing Limited, Fung Holdings (1937) Limited, and King Lun were all deemed to be interested in the 616,413,760 Shares held by Fung Trinity Investments Limited. King Lun was also deemed to be interested in 32,613,795 Shares held by its indirect wholly owned subsidiary, Fung Capital Limited. Therefore, King Lun was deemed to be interested in 649,027,555 Shares in aggregate.*
2. *HSBC Trustee (C.I.) Limited, the trustee of a trust established for the benefit of the family members of Dr Victor FUNG Kwok King, owned 50% of the issued share capital of King Lun.*
3. *JPMorgan Chase & Co was interested in these Shares through various companies/entities controlled directly or indirectly by it.*

Save as disclosed above, as at 30 June 2013, the Company had not been notified by any person, other than a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which were recorded or required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

Share Options

On 16 October 2009, the Company adopted a pre-IPO share option scheme ("Pre-IPO Share Option Scheme") and a share option scheme ("Post-IPO Share Option Scheme") (collectively "Share Option Schemes") to subscribe for shares of the Company. No share options were granted during the six months ended 30 June 2013. As at 30 June 2013, there were outstanding options relating to 14,942,000 Shares and 17,154,000 Shares granted by the Company pursuant to Pre-IPO Share Option Scheme and Post-IPO Share Option Scheme respectively.

Movements of the share options granted under the Share Option Schemes during the period were as follows:

		Number of Share Options							
Category of Participants	Scheme Type	As at 01/01/2013	Granted	Exercised	Cancelled/ Lapsed	As at 30/06/2013	Exercise Price HK$	Grant Date	Exercisable Period
Directors									
WONG Yat Ming	Pre-IPO	3,750,000	–	–	–	3,750,000	1.65	16/10/2009	03/11/2010 – 02/11/2014
	Pre-IPO	3,750,000	–	–	–	3,750,000	1.65	16/10/2009	03/11/2011 – 02/11/2014
	Post-IPO	1,600,000	–	1,600,000	–	–	2.45	26/11/2009	26/11/2011 – 25/11/2013
	Post-IPO	1,600,000	–	–	–	1,600,000	2.45	26/11/2009	26/11/2012 – 25/11/2014
Danny LAU Sai Wing	Post-IPO	1,000,000	–	–	–	1,000,000	8.08	11/01/2011	01/01/2012 – 31/12/2013
	Post-IPO	1,000,000	–	–	–	1,000,000	8.08	11/01/2011	01/01/2013 – 31/12/2014
Sabrina FUNG Wing Yee	Pre-IPO	700,000	–	–	–	700,000	1.65	16/10/2009	03/11/2010 – 02/11/2014
	Pre-IPO	700,000	–	–	–	700,000	1.65	16/10/2009	03/11/2011 – 02/11/2014
	Post-IPO	700,000	–	–	–	700,000	2.45	26/11/2009	26/11/2011 – 25/11/2013
	Post-IPO	700,000	–	–	–	700,000	2.45	26/11/2009	26/11/2012 – 25/11/2014
Continuous Contract Employees	Pre-IPO	1,015,000	–	148,000	–	867,000	1.65	16/10/2009	03/11/2010 – 02/11/2014
	Pre-IPO	4,497,000	–	612,000	–	3,885,000	1.65	16/10/2009	03/11/2011 – 02/11/2014
	Post-IPO	3,704,000	–	880,000	–	2,824,000	2.45	26/11/2009	26/11/2011 – 25/11/2013
	Post-IPO	6,590,000	–	1,680,000	–	4,910,000	2.45	26/11/2009	26/11/2012 – 25/11/2014
	Post-IPO	630,000	–	–	60,000	570,000	8.08	11/01/2011	01/01/2012 – 31/12/2013
	Post-IPO	630,000	–	–	60,000	570,000	8.08	11/01/2011	01/01/2013 – 31/12/2014
	Post-IPO	250,000	–	–	–	250,000	7.71	24/03/2011	01/01/2012 – 31/12/2013
	Post-IPO	250,000	–	–	–	250,000	7.71	24/03/2011	01/01/2013 – 31/12/2014
	Post-IPO	1,780,000	–	–	130,000	1,650,000	5.61	25/11/2011	01/01/2013 – 31/12/2014
Other Participants	Pre-IPO	571,000	–	1,000	–	570,000	1.65	16/10/2009	03/11/2010 – 02/11/2014
	Pre-IPO	895,000	–	175,000	–	720,000	1.65	16/10/2009	03/11/2011 – 02/11/2014
	Post-IPO	350,000	–	–	–	350,000	2.45	26/11/2009	26/11/2011 – 25/11/2013
	Post-IPO	1,000,000	–	400,000	–	600,000	2.45	26/11/2009	26/11/2012 – 25/11/2014
	Post-IPO	60,000	–	–	–	60,000	8.08	11/01/2011	01/01/2012 – 31/12/2013
	Post-IPO	60,000	–	–	–	60,000	8.08	11/01/2011	01/01/2013 – 31/12/2014
	Post-IPO	60,000	–	–	–	60,000	5.61	25/11/2011	01/01/2013 – 31/12/2014
	Total	37,842,000	–	5,496,000	250,000	32,096,000			

Notes:

1. *The weighted average closing market price per share immediately before the date on which the share options were exercised by Mr WONG Yat Ming, Director of the Company, was HK$3.17.*
2. *The weighted average closing market prices per share immediately before the dates on which the share options were exercised by the continuous contract employees and by other participants were HK$4.42 and HK$3.96 respectively.*
3. *The above options are recognised as expenses in the consolidated financial statements in accordance with the Company's accounting policy as set out in the annual audited financial statements for the year ended 31 December 2012. Other details of share options granted by the Company are set out in Note 12 to the condensed consolidated financial information.*

Changes in Information of Directors

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors since the Company's 2012 Annual Report are set out below:

Name of Directors	Changes
Dr Victor FUNG Kwok King	Ceased to be a member of WTO Panel on Defining the Future of Trade in April 2013 Completed the term as Honorary Chairman of International Chamber of Commerce ("ICC") in June 2013, while continues to chair ICC World Trade Agenda Initiative
Ms Eva LI Kam Fun	Appointed as a director of Nestlé S.A., a company listed in Switzerland, in April 2013 Appointed as an independent non-executive director of Haier Electronics Group Co., Ltd., a company listed in Hong Kong, in June 2013
Ms Sabrina FUNG Wing Yee	Appointed as a director of Fung Retailing Limited, a substantial shareholder of the Company, in May 2013
Mr Patrick SUN	Elected as Chairman of The Chamber of Hong Kong Listed Companies in June 2013
Mr Jean-Marc LOUBIER	Retired as an independent non-executive director of Harry Winston Diamond Corporation (which is now known as "Dominion Diamond Corporation" after its sale of retail business) in July 2013

Purchase, Sale or Redemption of 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 2013.

Interim Dividend

The Board of Directors has resolved to declare an interim dividend of 4.5 HK cents (2012: 8.0 HK cents) per share for the six months ended 30 June 2013.

Closure of Register of Members

The Register of Members will be closed on 18 September 2013 and no transfer of shares will be registered on that day. 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 no later than 4:30 pm on 17 September 2013. Dividend warrants will be despatched to shareholders on 27 September 2013.

information for investors

Listing Information

Listing: **Hong Kong Stock Exchange**

Stock Code: **891**

Key Dates

21 August 2013

Announcement of 2013 Interim Results

18 September 2013

Closure of Register of Members

27 September 2013

Despatch of 2013 Interim Dividend Warrants

Share Information

Board lot size

2,000 shares

Shares outstanding as at 30 June 2013

1,729,212,883

Market capitalisation as at 30 June 2013

HK$4.63 billion

Dividend per share for 2013

Interim **4.5 HK cents**

Share Registrar and Transfer Offices

Principal:

Butterfield Fulcrum Group (Bermuda) Limited

26 Burnaby Street

Hamilton HM 11

Bermuda

Hong Kong Branch:

Tricor Investor Services Limited

26/F, Tesbury Centre

28 Queen's Road East

Wanchai

Hong Kong

Enquiries Contact

Mr Bruno LI Kwok Ho

Executive Director/Chief Financial Officer

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Facsimile number: (852) 2343 4708

e-mail: info@trinitygroup.com

Trinity Limited

30/F, OCTA Tower

8 Lam Chak Street

Kowloon Bay, Kowloon

Hong Kong

Website

www.trinitygroup.com

condensed consolidated income statement

	Note	Unaudited Six months ended 30 June 2013 HK$'000	2012 HK$'000 (Restated)
Revenue	5(a)	**1,338,184**	1,367,102
Cost of sales		**(329,221)**	(284,146)
Gross profit		**1,008,963**	1,082,956
Other income		**20,558**	29,817
Selling and marketing expenses		**(627,515)**	(607,808)
Administrative expenses		**(251,041)**	(209,641)
Other gains – net		**20,525**	8,088
Gain on disposal of investments in jointly controlled entities	5(b)	**3,984**	–
Operating profit	6	**175,474**	303,412
Finance income		**7,024**	3,436
Finance costs			
Notional interest on contingent purchase consideration payable		**(5,990)**	(2,040)
Interest expense on bank borrowings and overdrafts		**(7,108)**	(4,371)
Finance costs – net		**(6,074)**	(2,975)
Share of profit of associates/jointly controlled entities	5(a)	**11,922**	31,434
Profit before income tax		**181,322**	331,871
Income tax expense	7	**(31,332)**	(66,748)
Profit for the period attributable to shareholders of the Company		**149,990**	265,123
Basic earnings per share attributable to shareholders of the Company (expressed in HK cents per share)	8(a)	**8.7 cents**	15.5 cents
Diluted earnings per share attributable to shareholders of the Company (expressed in HK cents per share)	8(b)	**8.6 cents**	15.2 cents

The notes on pages 28 to 44 are an integral part of this condensed consolidated financial information. Details of interim dividend of HK$77,815,000 (2012: HK$137,185,000) are set out in Note 9(a).

condensed consolidated statement of comprehensive income

	Unaudited Six months ended 30 June	
	2013 HK$'000	2012 HK$'000 (Restated)
Profit for the period	**149,990**	265,123
Other comprehensive expenses for the period		
Item that will not be reclassified subsequently to profit or loss		
Remeasurements of post employment benefit obligations	**268**	149
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of subsidiaries, jointly controlled entities and associates	**(14,350)**	(13,359)
Other comprehensive expenses for the period, net of tax	**(14,082)**	(13,210)
Total comprehensive income attributable to shareholders of the Company	**135,908**	251,913

The notes on pages 28 to 44 are an integral part of this condensed consolidated financial information.

condensed consolidated balance sheet

	Note	Unaudited 30 June 2013 HK$'000	Restated 31 December 2012 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	10	**278,188**	328,810
Intangible assets	10	**3,071,010**	3,077,327
Investments in associates		**132,686**	128,278
Deposit and prepayments		**60,090**	45,983
Deferred income tax assets		**142,643**	154,151
		3,684,617	3,734,549
Current assets			
Inventories		**618,394**	663,626
Trade receivables	11	**127,208**	188,130
Deposit and prepayments		**100,082**	101,551
Amounts due from related parties	18(b)	**449**	4,614
Cash and cash equivalents		**1,118,628**	999,097
		1,964,761	1,957,018
Total assets		**5,649,378**	5,691,567
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital	12	**172,921**	172,372
Share premium		**2,347,265**	2,335,098
Reserves		**813,028**	953,772
Total equity		**3,333,214**	3,461,242

The notes on pages 28 to 44 are an integral part of this condensed consolidated financial information.

	Note	Unaudited 30 June 2013 HK$'000	Restated 31 December 2012 HK$'000
LIABILITIES			
Non-current liabilities			
Provision for long service payments		9,760	9,719
Retirement benefit obligations		21,801	22,687
Contingent purchase consideration payable for acquisition	14	306,857	311,352
Deferred income tax liabilities		339,831	360,726
		678,249	704,484
Current liabilities			
Trade payables	13	76,374	81,467
Contingent purchase consideration payable for acquisition	14	13,763	8,277
Other payables and accruals		336,000	517,763
Amounts due to related parties	18(b)	10,796	13,098
Current income tax liabilities		27,417	35,236
Borrowings	15	1,173,565	870,000
		1,637,915	1,525,841
Total liabilities		2,316,164	2,230,325
Total equity and liabilities		5,649,378	5,691,567
Net current assets		326,846	431,177
Total assets less current liabilities		4,011,463	4,165,726

The notes on pages 28 to 44 are an integral part of this condensed consolidated financial information.

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 2012		170,839	2,302,656	950,439	(168,439)	3,255,495
Impact of change in accounting policy	3(a)	–	–	(3,000)	91	(2,909)
Balance at 1 January 2012 (restated)		170,839	2,302,656	947,439	(168,348)	3,252,586
Comprehensive income						
Remeasurements of post employment benefit obligations (restated)		–	–	149	–	149
Exchange differences on translation of subsidiaries and jointly controlled entities (restated)		–	–	–	(13,359)	(13,359)
Profit for the period (restated)		–	–	265,123	–	265,123
Total comprehensive income (restated)		–	–	265,272	(13,359)	251,913
Transactions with owners						
Employee share option schemes						
– value of employee services		–	–	–	3,250	3,250
– exercise of share options		642	12,327	–	–	12,969
– transfer to retained earnings		–	–	700	(700)	–
Dividends paid	9(b)	–	–	(257,110)	–	(257,110)
Total transactions with owners		642	12,327	(256,410)	2,550	(240,891)
Balance at 30 June 2012 (restated)		171,481	2,314,983	956,301	(179,157)	3,263,608

The notes on pages 28 to 44 are an integral part of this condensed consolidated financial information.

		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 2013		172,372	2,335,098	1,110,592	(152,508)	3,465,554
Impact of change in accounting policy	3(a)	–	–	(4,250)	(62)	(4,312)
Balance at 1 January 2013 (restated)		172,372	2,335,098	1,106,342	(152,570)	3,461,242
Comprehensive income						
Remeasurements of post employment benefit obligations		–	–	268	–	268
Exchange differences on translation of subsidiaries and associates		–	–	–	(14,350)	(14,350)
Profit for the period		–	–	149,990	–	149,990
Total comprehensive income		–	–	150,258	(14,350)	135,908
Transactions with owners						
Employee share option schemes						
– exercise of share options	12	549	12,167	–	–	12,716
– transfer to retained earnings		–	–	4,254	(4,254)	–
Dividends paid	9(b)	–	–	(276,652)	–	(276,652)
Total transactions with owners		549	12,167	(272,398)	(4,254)	(263,936)
Balance at 30 June 2013		172,921	2,347,265	984,202	(171,174)	3,333,214

The notes on pages 28 to 44 are an integral part of this condensed consolidated financial information.

condensed consolidated cash flow statement

	Note	Unaudited Six months ended 30 June 2013 HK$'000	2012 HK$'000 (Restated)
Cash flows from operating activities			
Cash generated from operations		146,759	200,347
Interest paid on bank borrowings and overdrafts		(6,216)	(5,757)
Income tax paid		(50,966)	(95,996)
Net cash generated from operating activities		89,577	98,594
Cash flows from investing activities			
Purchase of property, plant and equipment		(30,411)	(27,383)
Acquisition of subsidiaries, net of cash acquired		–	(365,660)
Dividends received from a jointly controlled entity		–	23,858
Interest received		7,024	3,436
Net cash used in investing activities		(23,387)	(365,749)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		12,716	12,969
Proceeds from borrowings		530,012	390,000
Repayment of borrowings		(230,000)	(90,000)
Dividends paid	9(b)	(276,652)	(257,110)
Net cash generated from financing activities		36,076	55,859
Net increase/(decrease) in cash and cash equivalents		102,266	(211,296)
Cash and cash equivalents at beginning of the period		999,097	790,370
Effect on foreign exchange rates changes		13,712	(2,356)
Cash and cash equivalents at end of the period		1,115,075	576,718
Bank overdraft	15	3,553	–
Cash and cash equivalents at balance sheet		1,118,628	576,718

The notes on pages 28 to 44 are an integral part of this condensed consolidated financial information.

notes to the condensed consolidated financial information

1 General information

Trinity Limited (the "Company") is an investment holding company and was incorporated in Bermuda as an exempted company with limited liability under Companies Act 1981 of Bermuda. Its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Company and its subsidiaries (together the "Group") are principally engaged in the retailing of high-end to luxury menswear in the Chinese Mainland, Hong Kong, Macau, Taiwan (the "Greater China") and Europe, as well as licensing its fully owned brands globally. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at 30/F, OCTA Tower, 8 Lam Chak Street, Kowloon Bay, Kowloon, Hong Kong.

This unaudited condensed consolidated financial information is presented in Hong Kong dollars, unless otherwise stated.

This condensed consolidated financial information was approved for issue by the Board of Directors on 21 August 2013.

2 Basis of preparation

This unaudited condensed consolidated financial information for the six months ended 30 June 2013 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 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. In preparing these condensed consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2012.

3 Summary of principal accounting policies

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 2012, except as described below.

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

3 Summary of principal accounting policies *(Continued)*

(a) Adoption of new/revised standards and amendments to existing standards effective in 2013

The Group has adopted the following new/revised standards and amendments to existing standards which are mandatory for accounting periods beginning on or after 1 January 2013 and relevant to the Group:

HKAS 1 (Amendment)	Presentation of Financial Statements
HKAS 19 (2011)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures
HKFRS 7 (Amendment)	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Annual Improvements Project	Annual Improvements 2009-2011 Reporting Cycle

The adoption of such new/revised standards and amendments to existing standards does not have material impact on the condensed consolidated financial statements as at and for the six months ended 30 June 2013 except as described below:

HKAS 1 (Amendment), Presentation of Financial Statements

The amendments to HKAS 1 require entities to classify items presented in other comprehensive income on the basis of whether they are potentially reclassificable to profit or loss subsequently. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

HKAS 19 (2011), Employee Benefits

HKAS 19 (2011) includes a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised immediately in other comprehensive income and permanently excluded from profit or loss; expected returns on plan assets are no longer recognised in profit or loss and instead, interest on the net defined benefit liability (asset) is in profit or loss, calculated using the discount rate used to measure the defined benefit obligation and; unvested past service costs are now recognised in profit or loss in the period and not amortised over the vesting period. Other amendments include new disclosures, such as, quantitative sensitivity disclosures. HKAS 19 (2011) requires retrospective application. The adoption of HKAS 19 (2011) had an impact on the retirement benefit obligations primarily due to the immediate recognition of actuarial gains and losses in other comprehensive income which were deferred using corridor approach in previous years. The effect of the adoption of HKAS 19 (2011) is explained below.

3 Summary of principal accounting policies *(Continued)*

(a) Adoption of new/revised standards and amendments to existing standards effective in 2013 (Continued)

HKAS 19 (2011), Employee Benefits *(Continued)*

The tables below show the effect on the Group's consolidated balance sheet, consolidated income statement and consolidated statement of comprehensive income.

Impact on consolidated balance sheet

Increase/(decrease)	31 December 2012 HK$'000	1 January 2012 HK$'000
Liabilities		
– Retirement benefit obligations	4,312	2,909
Equity		
– Retained earnings	(4,250)	(3,000)
– Translation reserve	(62)	91

Impact on consolidated income statement

Increase/(decrease)	Year ended 31 December 2012 HK$'000	Six months ended 30 June 2012 HK$'000
Administrative expenses	(110)	222
Profit for the period	110	(222)

Impact on consolidated statement of comprehensive income

Increase/(decrease)	Year ended 31 December 2012 HK$'000	Six months ended 30 June 2012 HK$'000
Profit for the period	110	(222)
Remeasurements of post employment benefit obligations	(1,360)	149
Exchange differences on translation of subsidiaries, jointly controlled entities and associates	(153)	(33)
Total comprehensive income attributable to shareholders of the Company	(1,403)	(106)

This change in accounting policy does not have any material impact on current or deferred taxation, statements of cash flows and earnings per share.

3 Summary of principal accounting policies *(Continued)*

(a) Adoption of new/revised standards and amendments to existing standards effective in 2013 (Continued)

HKFRS 13, Fair Value Measurement

HKFRS 13 establishes a single source of guidance under HKFRS for all fair value measurements. HKFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under HKFRS when fair value is required or permitted.

HKFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including HKFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required in interim financial statements for financial instruments; accordingly, the Group provides these disclosures in Note 4 to the interim condensed consolidated financial information.

(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 have been issued but are not yet effective and have not been early adopted by the Group:

HKAS 32 (Amendment)	Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014)
HKAS 36 (Amendment)	Impairment of Assets: Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014)
HKFRS 9	Financial Instruments (effective for annual periods beginning on or after 1 January 2015)
HKFRS 7 and HKFRS 9 (Amendments)	Mandatory Effective Date and Transition Disclosures (effective for annual periods beginning on or after 1 January 2015)
HKFRS 10, HKFRS 12 and HKAS 27 (2011) (Amendments)	Investment Entities (effective for annual periods beginning on or after 1 January 2014)
HK(IFRIC)-Int 21	Levies (effective for annual periods beginning on or after 1 January 2014)

All these amendments are effective in the financial year of 2014 or years after 2014 and these amendments are not expected to have a significant impact on the results and financial position of the Group.

4 Financial risk management and financial instruments

4.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The interim condensed consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2012.

There have been no changes in any risk management policies since the year end.

4 Financial risk management and financial instruments *(Continued)*

4.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets and liabilities that are measured at their fair values at 30 June 2013 and 31 December 2012.

30 June 2013

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Liabilities				
Contingent purchase consideration payable for acquisition (Note 14)	–	–	320,620	320,620
Derivative financial instruments	–	55	–	55
Total liabilities	–	55	320,620	320,675

31 December 2012

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets				
Derivative financial instruments	–	395	–	395
Liabilities				
Contingent purchase consideration payable for acquisition (Note 14)	–	–	319,629	319,629

4.3 Valuation techniques used to derive Level 2 fair values

Level 2 financial instruments comprise forward exchange contracts, which have been determined using forward exchange rates that are quoted in an active market. Since all significant inputs required to estimate the fair values are observable, the instruments are included in Level 2.

4 Financial risk management and financial instruments *(Continued)*

4.4 Fair value measurements using significant unobservable inputs (Level 3)

The valuation technique used to determine the fair values of Level 3 financial instruments is discounted cash flow analysis.

	Contingent purchase consideration payable for acquisition HK$'000
Opening balance at 1 January 2013	**319,629**
Remeasurement gains recognised in profit or loss	(4,999)
Notional interest expenses on contingent purchase consideration payable	5,990
Closing balance at 30 June 2013	**320,620**
Change in unrealised gains for the period included in profit or loss for liabilities held at the end of the reporting period, under 'Other income'	4,999
Change in unrealised losses for the period included in profit or loss for liabilities held at the end of the reporting period, under 'Finance costs – net'	(5,990)

The Group's profit attributable to shareholders of the Company would decrease/increase and the contingent purchase consideration payable would increase/decrease by HK$43,898,000 and HK$39,868,000 respectively if future revenue growth is 1% higher/lower than the estimation made by management at balance sheet date.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2012: nil).

4.5 Group's valuation processes

The Group's Finance Department performs the valuations of financial liabilities required for financial reporting purposes, including Level 3 fair values based on policies approved by the Board of Directors. The Group's Finance Department reports directly to the Chief Financial Officer.

The main Level 3 input used by the Group pertains to the discount rate for contingent purchase consideration payable for acquisition and estimated post acquisition performance of the acquired business. The discount rate is estimated based on the expected cost of borrowings with similar maturity. The estimated post acquisition performance of the acquired business was determined with reference to senior management's best estimate.

4.6 Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of the Group's financial assets (trade receivables, deposit and prepayments and amounts due from related parties) and financial liabilities (trade payables, other payables and accruals, amounts due to related parties and borrowings) approximate their fair values except for derivative financial instruments disclosed in Note 4.2 which have been grouped under other payables and accruals as at 30 June 2013 and deposit and prepayments as at 31 December 2012 and they were included in Level 2.

5 Segment information

The Group is principally engaged in the retailing and wholesale of high-end to luxury menswear in Greater China and Europe, as well as licensing its fully owned brands globally. The associates/jointly controlled entities are retailers of luxury fashion and accessories in South Korea and various countries in Southeast Asia. The performance of the Group's retail stores is subject to seasonal fluctuations and certain holiday seasons.

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 the Chinese Mainland, Hong Kong & Macau, Taiwan, Europe and others. Management also assesses the performance of the individual business line, namely retail, wholesale and licensing. Management assesses the performance of operating segments based on a measure of segment earnings before finance costs – net and income tax expense ("Segment contribution") for the period. Corporate employee benefit expenses and overhead, finance income/(costs) and other gains – net are not allocated to segments. 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.

(a) Segment results

The segment results for the six months ended 30 June 2013 are as follows:

	Unaudited							
	HK & Macau		Chinese Mainland	Taiwan	Europe		Others	
	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Retail HK$'000	Retail HK$'000	Licensing HK$'000	Retail HK$'000	Total HK$'000
Segment revenue and revenue from external customers	417,329	2,683	676,239	88,899	97,818	55,216	–	1,338,184
Gross profit	327,814	568	509,212	62,076	54,077	55,216	–	1,008,963
Segment contribution	92,044	568	152,245	19,052	(47,755)	13,398	11,922	241,474
Segment contribution includes:								
Depreciation	(8,282)	–	(68,159)	(1,207)	(5,240)	(1,059)	–	(83,947)
Share of profit of associates (note (i))	–	–	–	–	–	–	11,922	11,922
Segment asset as at 30 June 2013	215,804	–	306,995	53,311	42,284	–	–	618,394

5 Segment information *(Continued)*

(a) Segment results *(Continued)*

The segment results for the six months ended 30 June 2012 are as follows:

	Unaudited and restated							
	HK & Macau		Chinese Mainland	Taiwan	Europe		Others	
	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Retail HK$'000	Retail HK$'000	Licensing HK$'000	Retail HK$'000	Total HK$'000
Segment revenue and revenue from external customers	410,324	4,252	756,232	93,069	49,203	54,022	–	1,367,102
Gross profit	329,017	1,158	600,728	69,314	28,717	54,022	–	1,082,956
Segment contribution	99,353	1,158	231,616	20,688	(12,954)	24,331	31,434	395,626
Segment contribution includes:								
Depreciation	(6,291)	–	(59,848)	(2,216)	(4,518)	(1,070)	–	(73,943)
Share of profit of jointly controlled entities (note (i))	–	–	–	–	–	–	31,434	31,434
Segment asset as at 31 December 2012	213,853	–	332,660	69,638	47,475	–	–	663,626

5 Segment information *(Continued)*

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

	Unaudited and restated Six months ended 30 June	
	2013 HK$'000	2012 HK$'000
Segment contribution for reportable segments	241,474	395,626
Add:		
Other income	20,558	29,817
Other gains – net	20,525	8,088
Gain on disposal of investments in jointly controlled entities (note (ii))	3,984	–
Less:		
Finance costs – net	(6,074)	(2,975)
Employee benefit expenses	(66,205)	(75,939)
Rental expenses	(10,187)	(7,822)
Depreciation and amortisation	(5,996)	(5,954)
Other unallocated expenses	(16,757)	(8,970)
Total Group's profit before income tax	181,322	331,871

Notes:

(i) Share of profit of associates/jointly controlled entities represents share of profit of Ferragamo Korea Limited, Ferragamo (Malaysia) Sdn Bhd, Ferragamo (Singapore) Pte Ltd and Ferragamo (Thailand) Limited (collectively "Ferragamo entities"), then jointly controlled entities of the Group, which were 50% equity accounted for by the Group up to 20 December 2012 when the Group disposed of its 30% equity interest. Since then, Ferragamo entities have been 20% equity accounted by the Group as associates.

(ii) Gain on disposal of investments in jointly controlled entities represents the gain arising from the final adjustment of the value of the 30% equity interest in the Ferragamo entities disposed in December 2012.

6 Operating profit

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

	Unaudited Six months ended 30 June	
	2013 HK$'000	2012 HK$'000
Additional/(reversal of) provision for impairment of inventories	12,767	(7,156)
Depreciation of property, plant and equipment (Note 10)	89,943	78,138
Reversal of provision for impairment of property, plant and equipment (Note 10)	(17)	–
Amortisation of intangible assets (Note 10)	–	1,759
Loss on disposal of property, plant and equipment	2,950	3,548
Reversal of provision for impairment of trade receivables	(859)	(30)
Advertising and promotion expenses	74,792	83,753
Royalty expenses	3,797	9,998

7 Income tax expense

Hong Kong profits tax has been provided for at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the six months ended 30 June 2013. 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. Certain comparative figures have been adjusted to conform to current period's presentation.

	Unaudited Six months ended 30 June	
	2013 HK$'000	2012 HK$'000
Current income tax		
– Hong Kong profits tax	**17,435**	30,747
– Overseas taxation	**22,777**	42,555
Deferred income tax	**(1,423)**	(2,140)
Over provision in prior years	**(7,457)**	(4,414)
	31,332	66,748

8 Earnings per share

(a) Basic

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

	Unaudited and restated Six months ended 30 June	
	2013	2012
Weighted average number of ordinary shares in issue	**1,727,232,000**	1,712,704,000
Profit attributable to shareholders of the Company (HK$'000)	**149,990**	265,123
Basic earnings per share (HK cents per share)	**8.7 cents**	15.5 cents

(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 and restated Six months ended 30 June	
	2013	2012
Weighted average number of ordinary shares for diluted earnings per share	**1,741,144,000**	1,746,522,000
Profit attributable to shareholders of the Company (HK$'000)	**149,990**	265,123
Diluted earnings per share (HK cents per share)	**8.6 cents**	15.2 cents

9 Dividends

(a) Dividends attributable to the period are as follows:

	Unaudited Six months ended 30 June	
	2013 HK$'000	2012 HK$'000
Interim dividend declared after the balance sheet date of 4.5 HK cents (2012: 8.0 HK cents) per ordinary share	77,815	137,185

The above interim dividend declared after the balance sheet date has not been recognised as a liability at the balance sheet date.

(b) Dividends attributable to the previous year, approved and paid during the period are as follows:

	Unaudited Six months ended 30 June	
	2013 HK$'000	2012 HK$'000
Final dividend approved and paid of 14.0 HK cents (2012: 8.0 HK cents) per ordinary share	242,071	257,110
Special final dividend approved and paid of 2.0 HK cents (2012: nil) per ordinary share	34,581	–
	276,652	257,110

10 Property, plant and equipment and intangible assets

	Property, plant and equipment HK$'000	Intangible assets HK$'000
Opening net book amount at 1 January 2012	311,806	2,312,248
Exchange differences	(2,302)	(5,031)
Acquisition of subsidiaries	17,120	792,000
Additions	62,590	–
Disposals	(3,548)	(35,288)
Depreciation and amortisation (Note 6)	(78,138)	(1,759)
Closing net book amount at 30 June 2012 (unaudited)	307,528	3,062,170
Opening net book amount at 1 January 2013	328,810	3,077,327
Exchange differences	2,059	(6,317)
Additions	40,195	–
Disposals	(2,950)	–
Reversal of impairment provision (Note 6)	17	–
Depreciation (Note 6)	(89,943)	–
Closing net book amount at 30 June 2013 (unaudited)	278,188	3,071,010

11 Trade receivables

Majority of the Group's revenue are retail sales and licensing income. Retail sales are made in cash or by credit card. Retail sales through department stores are generally collectible within 30 days to 60 days from the invoice date. Licensing income is generally collectible within 90 days from the invoice date.

At 30 June 2013, the ageing analysis by invoice date of trade receivables of the Group is as follows:

	Unaudited 30 June 2013 HK$'000	Audited 31 December 2012 HK$'000
1 – 30 days	82,638	132,841
31 – 60 days	37,976	44,472
61 – 90 days	1,387	7,920
Over 90 days	12,139	13,046
	134,140	198,279
Less: Provision for impairment of trade receivables	(6,932)	(10,149)
	127,208	188,130

As at 30 June 2013, the fair values of the Group's trade receivables are approximately the same as their carrying amounts.

12 Share capital and options

Ordinary shares of HK$0.10 each	Number of shares (in thousand)	Share capital HK$'000
Authorised:		
At 1 January 2013 and 30 June 2013	4,000,000	400,000
Issued and fully paid:		
At 1 January 2013	1,723,717	172,372
Exercise of share options (note)	5,496	549
At 30 June 2013	1,729,213	172,921

Details of share option schemes adopted by the Group since 16 October 2009 are set out in the annual report for the year ended 31 December 2012.

Note: During the six months ended 30 June 2013, 5,496,000 ordinary shares were issued at an average exercise price of HK$2.31 to the share option holders pursuant to the share option schemes.

12 Share capital and options *(Continued)*

Movements in the number of such share options granted and their related weighted average exercise prices during the period are as follows:

	Number of options	Weighted average exercise price HK$
At 1 January 2013	37,842,000	2.84
Exercised	(5,496,000)	2.31
Forfeited	(250,000)	6.80
At 30 June 2013	32,096,000	2.90

The weighted average closing share price at the date of exercise of share options during the period was HK$4.01.

13 Trade payables

At 30 June 2013, the ageing analysis by invoice date of the Group's trade payables is as follows:

	Unaudited 30 June 2013 HK$'000	Audited 31 December 2012 HK$'000
1 – 30 days	49,594	32,414
31 – 60 days	5,954	18,801
61 – 90 days	4,570	9,944
Over 90 days	16,256	20,308
	76,374	81,467

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.

14 Contingent purchase consideration payable for acquisition

	Unaudited 30 June 2013 HK$'000	Audited 31 December 2012 HK$'000
Total contingent purchase consideration payable for acquisition (Note 4)	320,620	319,629
Less: current portion of contingent purchase consideration payable for acquisition	(13,763)	(8,277)
Non-current portion of contingent purchase consideration payable for acquisition	306,857	311,352

Note: Balance represents management's best estimation of the fair value of contingent purchase consideration payable for the acquisition. Final amount of consideration settlement would be determined based on future performance of the acquired business.

15 Borrowings

	Unaudited 30 June 2013 HK$'000	Audited 31 December 2012 HK$'000
Current		
Bank overdraft	**3,553**	–
Bank borrowings	**1,170,012**	870,000
Total borrowings	**1,173,565**	870,000

Movements in bank borrowings are analysed as follows:

	HK$'000
Six months ended 30 June 2012	
Opening amount as at 1 January 2012	380,000
Proceeds from borrowings	390,000
Repayments of borrowings	(90,000)
Closing amount as at 30 June 2012 (unaudited)	680,000
Six months ended 30 June 2013	
Opening amount as at 1 January 2013	**870,000**
Proceeds from borrowings	**530,012**
Repayments of borrowings	**(230,000)**
Closing amount as at 30 June 2013 (unaudited)	**1,170,012**

(a) All the bank borrowings were secured by guarantees from the Company.

(b) As at 30 June 2013, the Group had unutilised banking facilities amounted to HK$668.9 million (31 December 2012: HK$440.0 million).

16 Contingent Liabilities

Save as disclosed elsewhere in this report, the Group had no significant contingent liabilities as at 30 June 2013.

17 Commitments

(a) Commitments under operating leases

The Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	Unaudited 30 June 2013 HK$'000	Restated 31 December 2012 HK$'000
No later than 1 year	293,042	287,271
Later than 1 year but no later than 5 years	358,092	312,361
Later than 5 years	33,013	38,868
	684,147	638,500

(b) Other commitments

	Unaudited 30 June 2013 HK$'000	Audited 31 December 2012 HK$'000
Contracted but not provided for:		
– Within 1 year	3,500	7,700
– Later than 1 year but no later than 2 years	2,800	2,800
	6,300	10,500

18 Related party transactions

(a) Significant related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Transactions with related parties were determined on basis agreed by both parties and were conducted in the normal course of business.

Majority of the Group's related parties are companies associated with or controlled by Fung Holdings (1937) Limited, a substantial shareholder of the Company (collectively, the "Substantial Shareholder Group").

Other than the related party transactions disclosed elsewhere, significant related party transactions of the Group during the period were as follows:

		Unaudited Six months ended 30 June	
	Note	2013 HK$'000	2012 HK$'000
(I) Transactions with the Substantial Shareholder Group			
Purchase of goods		**2,837**	3,137
Sub-contracting fee expense for production of product parts		**11,425**	16,466
Management service fee income	(i)	**–**	10,500
Management fee income for provision of accounting, information system and human resources services	(ii)	**439**	2,301
Management fee income for provision of warehouse, logistics and IT services	(ii)	**1,024**	–
Service fee expense for provision of corporate compliance services, legal services and other administrative services	(ii)	**1,129**	1,277
Service fee expenses for provision of warehouse and logistics services		**6,287**	6,809
Rental and licence fee income	(ii)	**991**	1,222
Rental and management fee expense	(ii)	**1,832**	1,795
Sub-contracting fee income for production of product parts	(ii)	**–**	144
(II) Transactions with other related parties			
Consultancy and advisory service fee paid to a director of a subsidiary of the Company	(ii)	**381**	154
Consultancy and advisory services expense paid to an associate of a director of the Company		**2,019**	2,031
Advertising and promotion expense paid to an associate of a director of the Company	(ii)	**529**	–

Notes:

(i) The Group provided management services including front end management services and back office support services to BLS (Private Labels) Holdings Limited and its subsidiaries. The two service agreements between the Company and BLS Holdings Limited in connection to the aforesaid management services expired on 31 August 2012 and 31 December 2012 respectively.

(ii) Included in these transactions, certain amounts are exempt from the reporting and disclosure requirements under the Listing Rules.

18 Related party transactions *(Continued)*

(b) Balances with related parties

	Unaudited 30 June 2013 HK$'000	Audited 31 December 2012 HK$'000
Due from		
Substantial Shareholder Group	**356**	3,650
Associates	**93**	964
	449	4,614
Due to		
Substantial Shareholder Group	**10,752**	13,038
Other related party	**44**	60
	10,796	13,098

Balances with related parties are unsecured, interest free and repayable on demand.

(c) Corporate guarantee to a related party

The Company has provided a corporate guarantee in favour of a bank in Thailand to support the banking facilities of Ferragamo (Thailand) Limited. The maximum liability of the Company is the lower of (a) 20% of the borrowed sum; or (b) 20% of Baht 160 million and USD2.5 million (that is Baht 32 million and USD0.5 million). As at 30 June 2013, the sum borrowed by Ferragamo (Thailand) Limited amounted to approximately Baht 50 million and USD0.4 million (approximately HK$15.8 million in aggregate) (31 December 2012: Baht 14.5 million and USD1.376 million (approximately HK$14.3 million in aggregate)).

(d) Key management compensation

Key management compensation amounted to HK$7,708,000 for the six months ended 30 June 2013 (2012: HK$7,692,000).

19 Events after the balance sheet date

The Group entered into a convertible promissory note transaction with British Heritage Brands, Inc. ("BHB"), a licensee of Kent & Curwen in North American and European markets on 21 August 2013. Under the terms of the agreement, the Group will contribute a maximum aggregate amount of USD15 million in four tranches over two years with the first tranche of USD6.75 million due on 21 August 2013. The convertible promissory note carries an interest of 5% per annum maturing on 31 December 2027 with a right of conversion to 23.94% of BHB equity during the period commencing on the earlier of (i) the date on which sum of all payments made by the Group equals the maximum aggregate amount of the convertible promissory note; or (ii) 1 January 2016, and ending on the day occurring 90 days following the date of delivery to the Group of the annual audited financial statements of BHB for the fiscal year 2018.