TRINITY

2015

Interim Report

Trinity Limited

Incorporated in Bermuda
with limited liability

Stock Code: 891

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A Fung Retailing Company

Trinity Limited
30/F, OCTA Tower, 8 Lam Chak Street,
Kowloon Bay, Kowloon, Hong Kong
T (852) 2342 1151
www.trinitygroup.com

DESIGN: FORMAT LIMITED www.format.com.hk

GLOBAL OFFICES

Chinese Mainland Beijing, Chengdu, Guangzhou, Shanghai

France Paris

Hong Kong, SAR

Singapore

Taiwan Taipei

United Kingdom London

Contents

Corporate Information

Executive Directors

Richard Samuel COHEN
(Chief Executive Officer)

Danny LAU Sai Wing
(Chief Operating Officer)

Non-executive Directors

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

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

Sabrina FUNG Wing Yee

Jean-Marc LOUBIER

WONG Yat Ming

Independent Non-executive Directors

Eva CHENG LI Kam Fun

Cassian CHEUNG Ka Sing

Michael LEE Tze Hau

Patrick SUN

Chief Financial Officer

Srinivasan PARTHASARATHY

Group Chief Compliance & Risk Management Officer

Jason YEUNG Chi Wai

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

Bank of China (Hong Kong) Limited

Citibank, N.A.

Standard Chartered Bank (Hong Kong) Limited

Legal Adviser

Mayer Brown JSM

Auditor

PricewaterhouseCoopers
Certified Public Accountants

Highlights

Highlights of results for the six months ended 30 June 2015

	2015	2014	% change
Revenue *(HK$ million)*	1,006	1,260	-20.1%
Gross profit *(HK$ million)*	711	998	-28.8%
Gross margin (%)	70.7%	79.3%	
Operating (loss)/profit *(HK$ million)*	(66)	94	N/A
Operating margin *(%)*	-6.5%	7.4%	
(Loss)/profit attributable to shareholders *(HK$ million)*	(47)	79	N/A
(Loss)/profit attributable to shareholders *(%)*	-4.7%	6.3%	
Basic (loss)/earnings per share *(HK cents)*	(2.7)	4.6	
Interim dividend per share *(HK cents)*	–	2.4	

Store numbers as at 30 June 2015

Kent & Curwen
112
- 88 Chinese Mainland
- 12 Hong Kong & Macau
- 11 Taiwan
- 1 Singapore

Gieves & Hawkes
102
- 77 Chinese Mainland
- 9 Hong Kong & Macau
- 9 Taiwan
- 1 Singapore
- 6 Europe

Cerruti 1881
126
- 104 Chinese Mainland
- 8 Hong Kong & Macau
- 12 Taiwan
- 1 Singapore
- 1 Europe

D'URBAN
42
- 25 Chinese Mainland
- 8 Hong Kong & Macau
- 9 Taiwan

Multi-brand
4
- 4 Chinese Mainland

Total stores for the Group
386
- 376 Greater China
- 3 Singapore
- 7 Europe

KENT&CURWEN
ENGLAND

FALL / WINTER 2015







Chairman's Statement

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Trinity remains focused on innovating and making improvements at all levels of our business.

Despite the difficulties experienced in the reporting period, I remain confident that the steps taken by the Group, especially the brand storytelling initiative, will set the stage for an improving performance.

Strategic Overview

In the first six months of 2015 the re-set of China's economy continued apace. So did efforts within Trinity Limited and its subsidiaries ("the Group") to evolve and adapt as we move forward with our mission to serve the affluent, mobile Chinese customers, wherever and whenever they wish.

The challenges of the premium menswear market in China are neither new nor limited to the Group. Most recently, stock market volatility in the Mainland has reverberated in financial markets in Hong Kong, the region and across the world. However, notwithstanding the likelihood of some dampened consumer sentiment in the short term, I believe the future of the Mainland market remains strong.

Given present market conditions, it will take time for high-end menswear retailers like Trinity to see a return to previous sales volumes. But that will not hinder our ongoing work to strengthen operations, improve performance, and further build on our solid business foundations. Indeed, I anticipate increasing sales momentum as a result of more Chinese customers buying for self-use in the coming years.

The decline in Mainland travellers to Hong Kong and Macau in first few months of the period adversely affected our performance in these cities, as indicated in the profit alert we issued in June 2015. Many Chinese consumers are either taking advantage of promotional high-end retail offerings in the Mainland, or choosing other travel destinations in the region and further afield. But in this regard, I believe Trinity is well placed and better able than most to withstand the current headwinds.

The number of Chinese travelling overseas each year – including to cities such as London, where our British heritage brands are anchored, and Milan and Paris, where our Italian brand Cerruti 1881 originated – is forecast to reach 174 million within the next four years. And their spending is predicted to be about US$264 billion annually according to the Chinese International Travel Monitor [1].

Trinity envisioned this global spread of Chinese high-end consumers. Between 2008 and 2012, we acquired the global rights to our valuable flagship brands at advantageous prices and began building our presence in key overseas locations, in addition to our network in the Mainland.

A year ago, we brought new expertise in global brand building into our senior management team. They are applying their impressive knowledge of iconic menswear brands and international retail disciplines to ensure that we satisfy the rigorous demands of young, web-enabled and successful Chinese men with authentic high-end menswear, when they travel ("Target Globally") and at home ("Think Locally").

In light of continued challenges within the Greater China retail market, Trinity remains focused on innovating and making improvements at all levels of our business. Under the leadership of Chief Executive Officer Richard Cohen, the Group has swiftly but steadily implemented measures to help address the bottom-line pressures arising from China's "new normal". These have included tightened inventory control and an internal restructuring programme to contain costs, including the closure of a number of stores.

Even more noteworthy, to my mind, is the work we have done during the period under review to develop distinctive and compelling stories for each of the outstanding heritage brands in our portfolio: Cerruti 1881, Kent & Curwen and Gieves & Hawkes. Of critical importance, our reinvigoration of these menswear classics reinforces the authenticity, history and global cachet of these brands with our customers. I am personally excited by the new collection and associated marketing that will soon enter our stores for Fall 2015.

With the combination of a retail network in Greater China that few in our sector can match, and our strategic presence in leading international markets, I am optimistic that our efforts will bear fruit and position us strongly for the medium and longer term.

Full-year 2015

Despite the difficulties experienced in the reporting period, I remain confident that the steps taken by the Group, especially the brand storytelling initiative, will set the stage for an improving performance.

True to the values of the Fung Group, of which Trinity is a part, we continue to integrate environmentally sustainable practices into all aspects of our daily operations.

Just as Trinity continues to learn, adapt and adjust, our target market remains full of promise and potential. We are committed for the long term and the results will come.

I wish to thank all our dedicated staff members and all our customers as we work together to build a stronger platform for future success.

Victor FUNG Kwok King
Chairman

Hong Kong, 27 August 2015

[1] *Chinese International Travel Monitor 2015, completed by IPSOS*

CERRUTI 1881

FALL / WINTER 2015








Chief Executive Officer's Overview

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Our continued approach of "targeting globally, while thinking locally" means we are well positioned to respond flexibly to the changing nature of Chinese consumer spending habits.

Investment in our brands and processes has continued in recent months, including ongoing work to streamline our sourcing, merchandising, marketing and distribution platforms.

Addressing challenges

At the close of the half year, Trinity Limited and its subsidiaries ("the Group") are actively addressing the challenges of operating in a changing retail environment in the Chinese Mainland and wider region.

As has been widely reported, the Chinese Mainland continues to see an ongoing slowdown in spending on premium goods as a result of the move away from gifting, ongoing frugality measures, and uncertainties over the future pace of economic growth. The increasing complexity of the Chinese Mainland's retail market presents new challenges for the entire industry, including the Group, as one of the leading high-end menswear retailers in Greater China.

The management team, having had experience of working through the challenges of the America financial crisis in 2008, understands and is realistic about the situation we face as China's economy transitions to a "new normal". Armed with that experience, we continue to adapt our business operations so the Group is better able to deal with these immediate market challenges. Testimony to this is our ongoing work to: improve the offerings of our brands; reduce expenses; and significantly decrease our inventory, all of which have put us in a stronger position to manage the new conditions we face. Sustainable returns in the medium- to long-term remain our ultimate and, I strongly believe, achievable goal.

Cost-cutting and streamlining

Investment in our brands and processes has continued in recent months, including ongoing work to streamline our sourcing, merchandising, marketing and distribution platforms. This reflects our unshaken confidence in the robustness of the long-term vision for the Group, as well as the management team's proactivity in meeting market challenges head on.

We succeeded in reducing our selling, marketing and distribution expenses by HK$65.5 million in the first half of 2015. We achieved this, in part, by rationalising our store numbers and locations. In addition, we reduced the price of some lines with a view to broadening our customer base while operating on a reduced inventory. Crucially, the value of the Group's inventory has been reduced to HK$510.1 million in June 2015, down from HK$742.9 million in June 2014, a significant decrease. By planning ahead, these efforts to reduce inventory have put us in a strong position to respond to current market conditions.

Our biggest, most difficult management decision was a restructuring exercise, which resulted in HK$29.3 million one-off costs in the first half of 2015. The decision – not taken lightly or in haste – to downsize some parts of our workforce, was implemented with due care and consideration for those affected. This necessary step will deliver a permanent reduction in staff costs, alongside the further consolidation of key functions that drive the Group's brands behind the scenes.

Interim financial results

Taken together, our robust cost reduction measures have enabled the Group to maintain a healthy financial position, despite the tough business environment. Indeed, the Group is operating cash positive at the end of the first half of the year.

However, as reflected in the profit alert we issued in June 2015, the contraction in the first half of this year of the premium goods market in the Chinese Mainland as well as Hong Kong and Macau had a detrimental impact on the performance of the Group. As a result of this difficult environment, revenue, margin and same-store sales are all lower than in the same period last year.

Positioning our brands for the future

To prepare for the ever changing retail environment, we completed a major initiative in the reporting period, spearheaded by our Chief Merchandising Officer, Mr Cody Kondo, to refresh and differentiate the positioning of our four brands: Cerruti 1881, Kent & Curwen, Gieves & Hawkes and D'URBAN. The results can be seen in our Fall/Winter 2015 collections. Each brand communicates a stronger, authentic story to its distinctive market segment.

Cerruti 1881 is *la dolce vita*. Full of Italian elegance, it is the essence of living well. Kent & Curwen, with its hallmark emblem of three lions, is youthful strength embodied in sport. Gieves & Hawkes is simply the finest in bespoke tailoring, fulfilling all you would expect from a brand with the prestigious London address of No.1 Savile Row. And, D'URBAN, is the brand for the metropolitan men.

Currently en route to stores, our new collections will be supported by marketing and social media campaigns that bring these re-empowered brand stories to life. Customers will see dramatic new advertising creatives, eye-catching window displays and clearly differentiated visual merchandising.

We are confident that the full package of our Fall/Winter 2015 collections and corresponding marketing strategies will resonate strongly with our discerning Chinese male customers.

Target globally. Think locally.

Our continued approach of "targeting globally, while thinking locally" means we are well positioned to respond flexibly to the changing nature of Chinese consumer spending habits. Our presence overseas, including London and Paris, enables us to engage the Chinese consumers with brands they recognise and that appeal to their desire for authenticity, both at home and abroad.

Dedicated service

It is appropriate at this point to recognise the dedicated service of the Group's longstanding Chief Financial Officer ("CFO"), Mr Bruno Li, who retired on 1 July 2015, and to thank him for his many contributions. I am pleased to welcome Mr Srinivasan Parthasarathy as our new CFO. I am confident that with his addition, the management team will be able to make further progress in the second half of 2015.

Summary and outlook

In summary, the management team remains focused on addressing challenges in our day-to-day operations. I am satisfied that the decisions we have implemented in the first half of the year will serve us well going forward. And I remain confident in the long-term vision and business prospects for the Group.

The management team is realistic about the retail landscape in which we now operate and will continue to bring fresh insights into how to navigate it. As we look forward, we will continue to leverage our team's exceptional depth of experience in global brand development and marketing to grow our business in Greater China, the wider region and the world's fashion capitals, in the medium and long term.

Overall, our strategy remains to control what we can control and to ensure that the Group continues to learn, adapt and evolve with the changing times.

Richard Samuel COHEN
Chief Executive Officer

Hong Kong, 27 August 2015

BY APPOINTMENT
TO HER MAJESTY THE QUEEN
LIVERY & MILITARY TAILORS
GIEVES & HAWKES, LONDON

BY APPOINTMENT
TO HIS ROYAL HIGHNESS
THE DUKE OF EDINBURGH
NAVAL TAILORS & OUTFITTERS
GIEVES & HAWKES, LONDON

BY APPOINTMENT
TO HIS ROYAL HIGHNESS
THE PRINCE OF WALES
TAILORS & OUTFITTERS
GIEVES & HAWKES, LONDON

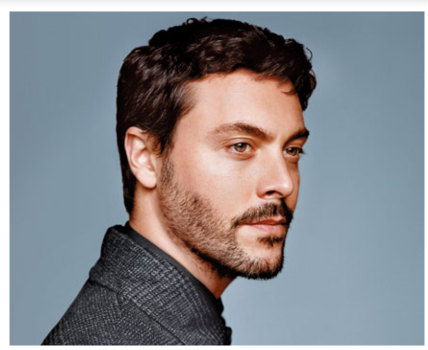
GIEVES & HAWKES

No.1 SAVILE ROW LONDON

FALL / WINTER 2015


SAVIL
ROW
CITY OF WE


No.1
SAVILE ROW




SAVILE
ROW W1

Discussion and Analysis

386

The number of stores was 386 as of 30 June 2015.

Our robust cost reduction measures have enabled the Group to maintain a healthy financial position, despite the tough business environment.

Revenue

Revenue for the first half of 2015 was HK$1.0 billion, which was HK$253.2 million lower than the same period of last year. The Group's same-stores sales were down 15.9%. This decline was primarily caused by the weak sales environment in Greater China.

Gross profit

The gross profit for the first half of the year was HK$711.4 million compared to HK$998.5 million in the first six months of 2014. The gross profit margin was 70.7% for the reporting period. Excluding the adjustments for inventory provision movements, the gross profit margin declined by 6.4 percentage points.

Selling, marketing and distribution expenses

Selling, marketing and distribution expenses amounted to HK$590.6 million, representing a HK$65.5 million decrease from the same period of 2014. The decrease was mainly due to management's continued efforts to improve cost efficiency and streamline the store network by closing non-performing stores. The number of stores was reduced to 386 as of 30 June 2015, down from 433 stores as of 30 June 2014.

General and administrative expenses

General and administrative expenses amounted to HK$244.4 million, representing an increase of HK$3.9 million from the same period of last year. Part of the change in general and administrative expenses was due to the strengthening of merchandising and planning function and increase in share option costs.

Other income

Other income was HK$55.7 million in the first half of 2015, compared to HK$29.7 million in the same period last year. This was mainly due to an increase in the fair value accounting adjustment on the contingent purchase consideration payable relating to the acquisition of Gieves & Hawkes in 2012.

Other gains of HK$2.4 million in the period arose primarily from foreign exchange transactions. This contrasted with an exchange loss of HK$38.1 million incurred as a result of the depreciation of renminbi ("RMB") in 2014.

Finance costs – net

Net finance costs were HK$6.9 million in the first half of 2015, whereas net finance costs of HK$0.9 million were reported in the same period of 2014. The increase was primarily due to a reduction in interest income earned on surplus RMB funds which were reduced to RMB88.5 million as at 30 June 2015 from RMB1,009.0 million as at 30 June 2014.

Share of Profit of Associates

Share of profit of associates declined to HK$1.7 million as a result of the lower net profit sharing from our 20% interests in Ferragamo businesses in South Korea and various countries in Southeast Asia.

Income Tax

Income tax shows a credit of HK$23.4 million as deferred tax assets were recognised on losses incurred before certain non-taxable income (such as fair value accounting adjustment on contingent purchase consideration payable).

Loss attributable to Shareholders

The Group incurred a loss of HK$47.4 million, which translated into a loss of 2.7 HK cents per share.

Working Capital Management

Inventory control continued to be a key element in working capital management. The focus on inventory by the Group's management saw the value of the inventory reduced appreciably to HK$510.1 million in June 2015, from HK$742.9 million and HK$612.5 million in June 2014 and December 2014 respectively. Inventory turnover days for the first half of 2015 reduced to 340 days, 126 days lower than June 2014 and less than the 343 days for the year ended December 2014, before inventory provision.

The Group's trade receivables reduced to HK$81.9 million for the period ended 30 June 2015 from HK$127.9 million and HK$180.0 million in June 2014 and December 2014 respectively.

The Group's trade payables as at June 2015 were HK$63.0 million, compared to HK$81.7 million and HK$43.9 million in June 2014 and December 2014 respectively. The trade payable turnover days were 33 days for the period ended 30 June 2015, compared with 36 days for the year ended 31 December 2014. This is attributable to significantly improved inventory control and management.

Financial Position and Liquidity

The Group generated net cash of HK$20.2 million from operating activities.

The net debt of the Group was HK$327.8 million and the gearing ratio, equal to net debt divided by total capital, was 9.1%. Net debt is calculated as borrowings less cash and cash equivalents. Total capital is calculated as total equity, as shown in the condensed consolidated statement of financial position, plus net debt. The comparable position for June 2014 and December 2014 was 7.9% and 6.2%.

Credit Risk Management

Trade receivables from department stores and receivables from wholesale customers and licensees are the major credit risk of the business. The Group has established procedures to evaluate and monitor the credit risk of department stores, wholesale customers and licensees in order to control its exposure in this area.

The trade receivable turnover days for the first half of 2015 were 24 days, almost the same as the 25 days reported for the year ended 31 December 2014.

At the end of June 2015, the receivables over three months old amounted to HK$26.4 million. Appropriate actions have been taken to collect the overdue receivables.

The Group's cash and cash equivalents were deposited with major international banks.

Foreign Exchange and Interest Rate 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.

The Group evaluates interest-rate risks periodically to determine the need to hedge against adverse interest-rate movements. As the Group's interest rate exposure was expected to be limited, no hedging activities were undertaken during the reporting period.

Banking Facilities

The Group has secured bank lines of approximately HK$3,148.7 million for operational requirements and has utilised less than 20% of the available facility as of 30 June 2015.

A total of HK$552.1 million in revolving loans and term loan ($372.1 million repayable within one year and $180.0 million repayable between one and five years) were utilised, and HK$75.7 million was deployed for trade financing and bank overdrafts at period end. The undrawn facilities at period end amounted to HK$2,520.9 million.

Purchase of Convertible Promissory Note

Our commitment and collaboration with British Heritage Brands, Inc ("BHB") to expand Kent & Curwen into the defined licensed territories required the purchase of convertible promissory note issued by BHB. At June 2015, a total of HK$97.6 million (US$12.5 million) has been taken up. The Group will pay the balance of US$2.5 million subject to the satisfaction of relevant benchmarks as prescribed under the note purchase agreement. Under this arrangement the Group could have an equity interest in BHB of up to 23.94% after exercising the conversion option.

Segmental Analysis

Revenue

The retail business continued to be the principal source of revenue for the Group. The weak sales environment in Greater China resulted in HK$89.3 million decrease in sales in Hong Kong & Macau, HK$137.2 million decrease in the Chinese Mainland and HK$16.1 million decrease in Taiwan. Same-store sales reflected a similar trend, with a drop of HK$56.0 million in Hong Kong & Macau. In the Chinese Mainland and Taiwan, the decline in same-store sales was HK$69.9 million and HK$13.9 million respectively.

In Europe, the wholesale business continued to grow and increased to HK$5.7 million in the first half of 2015.

The revenue from the licensing business in Europe recorded a decline of 19.0% that was the result of an adverse exchange rate movement. It was stable in local currency terms. A small decrease of 4.4% in retail sales was recorded.

Gross profit

Gross profit margin for the Group declined to 70.7% in the first half of 2015, from 79.3% in the same period of 2014.

The retail gross profit margins for the Chinese Mainland, Hong Kong & Macau and Taiwan in 2015 were 70.1%, 74.5% and 67.5%, whereas the gross profit margins in 2014 were 80.2% for the Chinese Mainland, 81.4% for the Hong Kong & Macau and 76.7% for Taiwan.

The segmental contributions

The segmental contributions for the Group were affected negatively by the market conditions and were HK$48.8 million for the six months ended 30 June 2015. The segmental contributions for Europe improved in the first half of 2015.

Human Resources and Training

As at 30 June 2015, the total workforce for the Group was 2,951 employees, compared with 3,558 a year earlier. Our workforce is comprised of 855 employees in Hong Kong and Macau; 1,746 on the Chinese Mainland; 174 in Taiwan, and 176 in other countries. Total staff costs were HK$323.1 million for the first half of 2015, compared to HK$337.2 million for the same period of last year.

The Group offers competitive remuneration packages, share options and development opportunities to its employees. Performance- and results-based bonuses and share options are granted as a means to reward and retain a high-calibre team.

The Group continues to invest in human resources through training and development programmes for managers and staff at all levels. In addition, we conducted product and customer service training programmes for frontline staff across all brands in Greater China.

Corporate Social Responsibility and Sustainability Initiatives

At Trinity, we take a position of responsibility with regard to the environment, our employees, and society. We continue with our sustainability drive for the seventh year running, as we strive to strengthen practices and enhance awareness by effectively communicating and updating policies and procedures to meet changing demands in the economies where we operate.

Being a responsible citizen to the community and to our employees, we initiate and participate in programmes that align with the Group's sustainability drive and are rewarding to our staff involved. In the first six months of the year, over 1,300 number of staff participated in 16 sustainability activities, contributing a total of over 1,700 hours to a number of sustainability programmes, including tree planting, health talks, Food Angel voluntary work, and the Skip-a-Meal campaign, among others. This is the sixth consecutive year in which we have participated in World Vision's Skip-a-Meal project, with the Group achieving the prize for 2nd Runner Up for the "Highest Number of Participants" in this initiative.

In support of the global effort in combating climate change, the Group set targets to reduce our resources consumption wherever practical. We have started to disclose our carbon footprint on the Carbon Footprint Repository for Listed Companies in Hong Kong launched by the Environmental Protection Department, and have also recorded our Hong Kong operations fuel and electricity consumption, tracking a 7% full-year reduction in greenhouse gas emissions in comparison to 2013.

We have improved our carbon footprint management capability by implementing a comprehensive online management system that can collate, consolidate and verify data collected under one platform in Hong Kong. This system has now been expanded to China and Taiwan with effective procedures in place to ensure data collected is meaningful for management and monitoring purposes. We intend to tighten our measurement and continue to monitor progress to enable us to set realistic targets.

We also support the Plastic Shopping Bag Charging scheme in Hong Kong by committing to donate all money collected to support waste reduction programs in Hong Kong, and have updated our Environment Policy to reflect this. We recognise there are still considerable opportunities and challenges with regard to combating climate change, we are continually exploring new channels and approaches to further minimise our environmental impact.

At Trinity, we have committed to uphold the ten UN Global Compact (UNGC) principles, including internationally proclaimed human rights, freedom of association and effective abolition of child or forced labour. We also demand our suppliers to be in compliance with the Trinity Code of Conduct, which sets standards of operational integrity including, but not limited to, high ethical standards in the areas of anti-corruption, extortion, bribery, fraud, false declarations, counterfeiting, insider trading, human rights and relevant labour standards.

Trinity is committed to continue to operate with integrity in all aspects of our business, and to uphold these standards for the environment, our employees and society as a whole. We embrace sustainability as one of our corporate values and continue along this path to improve our performance.

Corporate Governance Report

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The Board is responsible for ensuring that the Group maintains a sound and effective system of internal controls.

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.

The Board of Directors and management are committed to principles of good corporate governance consistent with prudent management and enhancement of shareholder value.

These principles emphasise transparency, accountability and independence. Corporate governance practices adopted by the Company during the six months ended 30 June 2015 are in line with those practices set out in the Company's 2014 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, two Executive Directors, four 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 Chief Executive Officer ("CEO"), held by Mr Richard Samuel COHEN, 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 four meetings to date in 2015 (with an average attendance rate of 96%) to discuss and approve 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 (now the 'Group Chief Compliance & Risk Management Officer' "GCCRMO"), as appointed by the Board, attended all Board and Board Committee meetings to date in 2015 to advise on corporate governance matters covering risk management, internal controls and relevant compliance issues. The Board has established the following committees with defined terms of reference, which are of no less exacting terms than those set out in the CG Code of the Listing Rules:

- Audit Committee
- Nomination 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.

Audit Committee

The Audit Committee was established 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. All of the Committee members, except Mr Jean-Marc LOUBIER who is a Non-executive Director, are Independent Non-executive Directors:

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

All Committee members possess appropriate professional qualifications or accounting or related financial management expertise or industry expertise to advise on all the above matters.

The Audit Committee met three times to date in 2015 (with a 100% attendance rate) to review with senior management, the Company's Corporate Governance Division ("CGD"), and external auditor, the internal audit plan, the Group's significant internal controls, risk management and financial 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 GCCRMO, 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 auditor, 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 2015 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.

Nomination Committee

All of the Committee members, except Dr William FUNG Kwok Lun who is a Non-executive Director, are Independent Non-executive Directors:

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, as well as 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 2015 (with a 100% attendance rate) to review the board composition, as well as the re-appointment of the retiring directors at the Annual General Meeting held in May 2015.

Remuneration Committee

All of the Committee members, except Dr Victor FUNG Kwok King who is a Non-executive Director, are Independent Non-executive Directors:

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

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, review and recommendation on proposals relating to the grant and allocation of share options under the Company's share option scheme, and recommendation to the Board on the aforesaid matters. The Committee met once to date in 2015 (with a 100% attendance rate) to discuss and review the remuneration packages of directors.

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 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 60 to 63 of the Company's 2014 Annual Report. Based on the assessments made by the senior management and the CGD for the six months ended 30 June 2015, 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' and Relevant Employees' 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 2015. No incident of non-compliance by Directors and relevant employees was noted by the Company during the six months ended 30 June 2015.

Directors' Interests

Details of Directors' interests in the securities of the Company are set out in the Other Information section on pages 18 and 19.

Directors' Responsibility for Financial Statements

The Directors' responsibility for preparing the financial statements is set out on page 88 of the Company's 2014 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 2015.

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 arranged analysts' briefing and road shows 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 and adopted a Policy on Inside Information. 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 the corporate governance measures are set out in the Corporate Governance Report on page 52 of the Company's 2014 Annual Report and the Board has reviewed the Company's compliance with these measures and confirmed that there was no non-compliance during the six months ended 30 June 2015.

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 Discussion and Analysis section on page 12.

Other Information

Directors' Interests and Short Positions in Securities

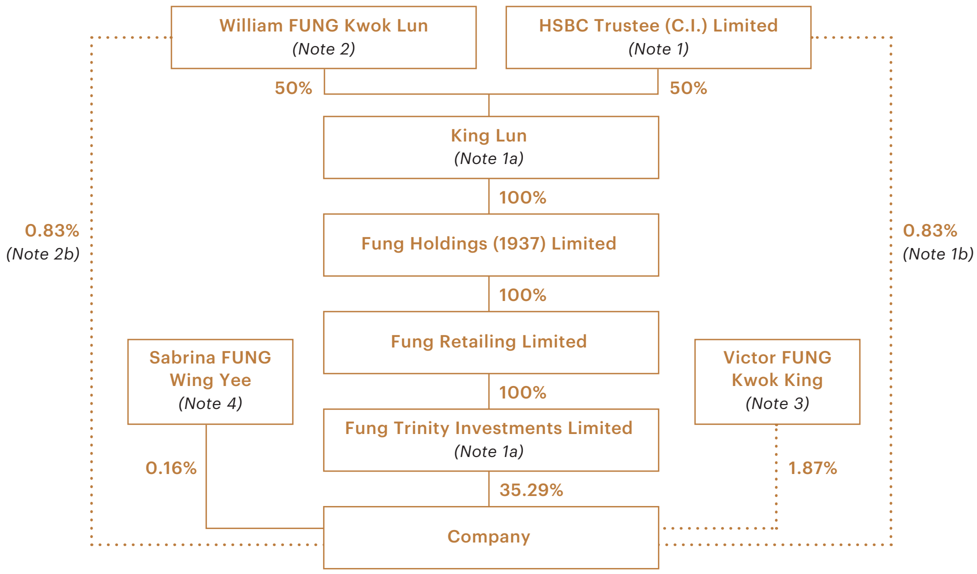
As at 30 June 2015, the Directors and chief executive of the Company and their associates had the following interests in the shares, underlying shares, and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded 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	–	32,613,795 [3]	630,913,760 [1]	–	663,527,555	37.99
William FUNG Kwok Lun	–	–	630,913,760 [2]	–	630,913,760	36.12
Sabrina FUNG Wing Yee	2,800,000 [4]	–	630,913,760 [1]	–	633,713,760	36.28
Richard Samuel COHEN	–	–	–	5,970,000 [5]	5,970,000	0.34
Bruno LI Kwok Ho *	5,400,000	–	–	3,000,000 [5]	8,400,000	0.48
Danny LAU Sai Wing	–	–	–	3,000,000 [5]	3,000,000	0.17
WONG Yat Ming	50,976,563	–	–	–	50,976,563	2.91

** Retired as Director of the Company with effect from 1 July 2015*

The following simplified chart illustrates the deemed interests of Dr Victor FUNG Kwok King, Dr William FUNG Kwok Lun and Ms Sabrina FUNG Wing Yee:



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

Notes:

1. *Each of Dr Victor FUNG Kwok King and Ms Sabrina FUNG Wing Yee (daughter of Dr Victor FUNG Kwok King and as his family member) was deemed to have interests in 630,913,760 Shares, which were held in the following manner:*
   a. *616,413,760 Shares were directly held by Fung Trinity Investments Limited, which is indirect wholly owned subsidiary of King Lun Holdings Limited ("King Lun"). King Lun was owned as to 50% by HSBC Trustee (C.I.) Limited as trustee of a trust ("Trustee") established for the benefit of the family members of Dr Victor FUNG Kwok King and as to 50% by Dr William FUNG Kwok Lun.*
   b. *14,500,000 Shares were directly held by First Island Developments Limited, a company wholly owned by the Trustee.*
2. *Among 630,913,760 Shares in which Dr William FUNG Kwok Lun had deemed interest:*
   a. *616,413,760 Shares were under the same block of shares indirectly held by King Lun as mentioned in Note 1a above.*
   b. *14,500,000 Shares were directly held by Step Dragon Enterprise Limited, a company beneficially owned by Dr William FUNG Kwok Lun.*
3. *32,613,795 Shares were held by a company owned by the spouse of Dr Victor FUNG Kwok King. Therefore, Dr Victor FUNG Kwok King was deemed to be interested in these Shares. By adding up the interests mentioned in Note 1 above, Dr Victor FUNG Kwok King was deemed to be interested in an aggregate of 663,527,555 Shares.*
4. *2,800,000 Shares were personally held by Ms Sabrina FUNG Wing Yee. By adding up the interests mentioned in Note 1 above, Ms Sabrina FUNG Wing Yee was deemed to be interested in an aggregate of 633,713,760 Shares.*
5. *These interests represented the interests in underlying shares in respect of the share options granted by the Company to these Directors as beneficial owners, details of which are set out in the Share Options section.*

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 2015, 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 2015, 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	35.29
Fung Retailing Limited [1]	Interest of controlled corporation	616,413,760	35.29
Fung Holdings (1937) Limited [1]	Interest of controlled corporation	616,413,760	35.29
King Lun [1]	Interest of controlled corporation	616,413,760	35.29
HSBC Trustee (C.I.) Limited [2]	Trustee	630,913,760	36.12
Schroders Plc [3]	Investment manager	122,267,491	7.00

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. Refer to the chart in the section headed "Directors' Interests and Short Positions in Securities".*
2. *HSBC Trustee (C.I.) Limited, the Trustee, owned 50% of the issued share capital of King Lun and was therefore deemed to be interested in the 616,413,760 Shares indirectly held by King Lun. In addition, the Trustee had deemed interest of the 14,500,000 Shares directly held by its wholly owned company, First Island Developments Limited. Refer to the chart in the section headed "Directors' Interests and Short Positions in Securities".*
3. *Schroders Plc was interested in these Shares through a chain of controlled companies.*

Save as disclosed above, as at 30 June 2015, 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

The Company has in place a share option scheme adopted on 16 October 2009 to subscribe for shares of the Company ("Share Option Scheme" or "Post-IPO Share Option Scheme"). No share option has been granted under the Share Option Scheme during the six months ended 30 June 2015. As at 30 June 2015, there were outstanding share options relating to 32,640,000 Shares granted by the Company pursuant to the Share Option Scheme.

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

Category of Participants	Number of Share Options							Exercise Price HK$	Grant Date	Exercisable Period
	As at 01/01/2015	Granted	Exercised	Cancelled/ Lapsed	Transfer In	Transfer Out	As at 30/06/2015			
	(Note 1)			*(Note 2)*						
Directors										
Richard Samuel COHEN	1,990,000	–	–	–	–	–	1,990,000	2.01	21/08/2014	01/04/2015 – 31/12/2016
	1,990,000	–	–	–	–	–	1,990,000	2.01	21/08/2014	01/01/2016 – 31/12/2017
	1,990,000	–	–	–	–	–	1,990,000	2.01	21/08/2014	01/01/2017 – 31/12/2018
Bruno LI Kwok Ho *	1,000,000	–	–	–	–	–	1,000,000	2.01	21/08/2014	01/04/2015 – 31/12/2016
	1,000,000	–	–	–	–	–	1,000,000	2.01	21/08/2014	01/01/2016 – 31/12/2017
	1,000,000	–	–	–	–	–	1,000,000	2.01	21/08/2014	01/01/2017 – 31/12/2018
Danny LAU Sai Wing	1,000,000	–	–	–	–	–	1,000,000	2.01	21/08/2014	01/04/2015 – 31/12/2016
	1,000,000	–	–	–	–	–	1,000,000	2.01	21/08/2014	01/01/2016 – 31/12/2017
	1,000,000	–	–	–	–	–	1,000,000	2.01	21/08/2014	01/01/2017 – 31/12/2018
Continuous Contract Employees	5,260,000	–	–	120,000	–	220,000	4,920,000	2.01	21/08/2014	01/04/2015 – 31/12/2016
	5,260,000	–	–	120,000	–	220,000	4,920,000	2.01	21/08/2014	01/01/2016 – 31/12/2017
	5,260,000	–	–	120,000	–	220,000	4,920,000	2.01	21/08/2014	01/01/2017 – 31/12/2018
	1,000,000	–	–	–	–	–	1,000,000	1.84	04/11/2014	01/04/2015 – 31/12/2016
	1,000,000	–	–	–	–	–	1,000,000	1.84	04/11/2014	01/01/2016 – 31/12/2017
	1,000,000	–	–	–	–	–	1,000,000	1.84	04/11/2014	01/01/2017 – 31/12/2018
Other Participants	750,000	–	–	–	220,000	–	970,000	2.01	21/08/2014	01/04/2015 – 31/12/2016
	750,000	–	–	–	220,000	–	970,000	2.01	21/08/2014	01/01/2016 – 31/12/2017
	750,000	–	–	–	220,000	–	970,000	2.01	21/08/2014	01/01/2017 – 31/12/2018
Total	33,000,000	–	–	360,000	660,000	660,000	32,640,000			

* *Retired as Director of the Company with effect from 1 July 2015*

Notes:

1. *As at 31 December 2014, there were 36,250,000 share options outstanding. Among these outstanding share options, 3,250,000 share options lapsed immediately upon the expiry of the exercisable period ended 31 December 2014 and subsequently, the total number of outstanding share options as at 1 January 2015 was 33,000,000.*
2. *By adding up 3,250,000 lapsed share options as mentioned in Note 1 above and 360,000 lapsed share options for the period ended 30 June 2015, the total number of lapsed share options during the period is 3,610,000.*
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 2014. Other details of share options granted by the Company are set out in Note 15 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 2014 Annual Report and up to 27 August 2015, being the approval date of this interim report, are set out below:

Directors	Changes
Dr Victor FUNG Kwok King	In July 2015, resigned as chairman and director of Fung Global Institute In July 2015, became chairman of the Advisory Board of Asia Global Institute at The University of Hong Kong
Dr William FUNG Kwok Lun	In July 2015, resigned as director of Fung Global Institute
Sabrina FUNG Wing Yee	In April 2015, became a member of board of directors of the Faculty of Business and Economics of The University of Hong Kong
Michael LEE Tze Hau	In April 2015, retired as an independent non-executive director of Hong Kong Exchanges and Clearing Limited and as the chairman and independent non-executive director of OTC Clearing Hong Kong Limited
Patrick SUN	In May 2015, ceased to be an independent non-executive director of China CNR Corporation Limited and appointed as an independent non-executive director of CRRC Corporation Limited, due to merger of these two companies In May 2015, appointed as an independent non-executive director of China Railway Signal & Communication Corporation Limited, which became a listed company in Hong Kong in August 2015 In June 2015, retired as an independent non-executive director and non-executive chairman of Solomon Systech (International) Limited In June 2015, ceased to serve as the chairman of The Chamber of Hong Kong Listed Companies, while acting as its vice-chairman

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 2015.

Interim Dividend

The Board of Directors has resolved not to declare any interim dividend (2014: 2.4 HK cents per share) for the six months ended 30 June 2015.

Information for Investors

Listing Information

Listing: **Hong Kong Stock Exchange**
Stock Code: **891**

Financial Calendar

27 August 2015
Announcement of 2015 Interim Results

Share Registrar and Transfer Offices

Principal:

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08
Bermuda

Hong Kong Branch:

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong
Telephone number: (852) 2980 1333
e-mail: is-enquiries@hk.tricorglobal.com

Share Information

Board lot size
2,000 shares

Shares outstanding as at 30 June 2015
1,746,528,883

Market capitalisation as at 30 June 2015
HK$2.34 billion

Enquiries Contact

Srinivasan PARTHASARATHY
Chief Financial Officer
Telephone number: (852) 2342 1151
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 2015 HK$'000	2014 HK$'000
Revenue	5(a)	**1,006,409**	1,259,562
Cost of sales		**(295,011)**	(261,067)
Gross profit		**711,398**	998,495
Other income		**55,685**	29,746
Selling, marketing and distribution expenses		**(590,646)**	(656,136)
General and administrative expenses		**(244,423)**	(240,503)
Other gains/(losses) – net	7	**2,365**	(38,083)
Operating (loss)/profit	6	**(65,621)**	93,519
Finance income		**3,008**	15,658
Finance costs			
Notional interest expenses on contingent purchase consideration payable for acquisition		**(4,210)**	(6,587)
Interest expenses on bank borrowings and overdrafts		**(5,706)**	(10,019)
Finance costs – net		**(6,908)**	(948)
Share of profit of associates		**1,740**	4,558
(Loss)/profit before income tax		**(70,789)**	97,129
Income tax	8	**23,377**	(18,116)
(Loss)/profit for the period attributable to shareholders of the Company		**(47,412)**	79,013
Basic (loss)/earnings per share attributable to shareholders of the Company (expressed in HK cents per share)	9(a)	**(2.7) cents**	4.6 cents
Diluted (loss)/earnings per share attributable to shareholders of the Company (expressed in HK cents per share)	9(b)	**(2.7) cents**	4.6 cents

The notes on pages 31 to 53 are an integral part of this condensed consolidated financial information. Details of interim dividend payable to shareholders of the Company are set out in Note 10(a).

Condensed Consolidated Statement of Comprehensive Income

	Unaudited Six months ended 30 June	
	2015 HK$'000	2014 HK$'000
(Loss)/profit for the period	**(47,412)**	79,013
Other comprehensive (expense)/income for the period		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of subsidiaries and associates	**(9,359)**	4,742
Other comprehensive (expense)/income for the period, net of tax	**(9,359)**	4,742
Total comprehensive (expense)/income for the period	**(56,771)**	83,755
Total comprehensive (expense)/income attributable to:		
– Shareholders of the Company	**(56,771)**	83,755

The notes on pages 31 to 53 are an integral part of this condensed consolidated financial information.

Condensed Consolidated Statement of Financial Position

	Note	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	11	**205,633**	236,985
Intangible assets	11	**3,039,456**	3,054,502
Investments in associates		**129,335**	131,486
Loan receivable	12	**91,600**	71,930
Derivative financial instrument	13	**6,019**	6,023
Deposits, prepayments and other receivables		**60,493**	55,982
Deferred income tax assets		**172,465**	144,651
		3,705,001	3,701,559
Current assets			
Inventories		**510,057**	612,475
Trade receivables	14	**81,919**	179,978
Deposits, prepayments and other receivables		**132,227**	110,803
Amounts due from related parties	21(b)	**338**	77
Current income tax recoverables		**22,703**	15,599
Cash and cash equivalents (excluding bank overdrafts)		**290,306**	522,677
		1,037,550	1,441,609
Total assets		**4,742,551**	5,143,168
EQUITY			
Capital and reserves attributable to the Company's shareholders			
Share capital	15	**174,653**	174,653
Share premium		**2,376,850**	2,376,850
Reserves		**717,883**	845,108
Total equity		**3,269,386**	3,396,611

The notes on pages 31 to 53 are an integral part of this condensed consolidated financial information.

	Note	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
LIABILITIES			
Non-current liabilities			
Borrowing	18	**180,000**	–
Provision for long service payments		**5,876**	10,377
Retirement benefit obligations		**31,783**	31,221
Contingent purchase consideration payable for acquisition	17	**206,690**	252,475
Deferred income tax liabilities		**307,704**	311,457
		732,053	605,530
Current liabilities			
Trade payables	16	**63,020**	43,870
Other payables and accruals		**217,890**	321,869
Amounts due to related parties	21(b)	**9,886**	13,089
Current income tax liabilities		**12,218**	14,279
Borrowings	18	**438,098**	747,920
		741,112	1,141,027
Total liabilities		**1,473,165**	1,746,557
Total equity and liabilities		**4,742,551**	5,143,168
Net current assets		**296,438**	300,582
Total assets less current liabilities		**4,001,439**	4,002,141

The notes on pages 31 to 53 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 2014		173,264	2,355,300	1,068,259	(157,188)	3,439,635
Comprehensive income						
Profit for the period		–	–	79,013	–	79,013
Other comprehensive income						
Exchange differences on translation of subsidiaries and associates		–	–	–	4,742	4,742
Other comprehensive income for the period, net of tax		–	–	–	4,742	4,742
Total comprehensive income		–	–	79,013	4,742	83,755
Transactions with owners						
Employee share option schemes						
– exercise of share options		16	275	–	–	291
– transfer to retained earnings		–	–	3,741	(3,741)	–
2013 final dividends paid	10(b)	–	–	(147,288)	–	(147,288)
Total transactions with owners		16	275	(143,547)	(3,741)	(146,997)
Balance at 30 June 2014		173,280	2,355,575	1,003,725	(156,187)	3,376,393

The notes on pages 31 to 53 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 2015		174,653	2,376,850	1,045,076	(199,968)	3,396,611
Comprehensive expense						
Loss for the period		–	–	(47,412)	–	(47,412)
Other comprehensive expense						
Exchange differences on translation of subsidiaries and associates		–	–	–	(9,359)	(9,359)
Other comprehensive expense for the period, net of tax		–	–	–	(9,359)	(9,359)
Total comprehensive expense		–	–	(47,412)	(9,359)	(56,771)
Transactions with owners						
Employee share option scheme						
– value of employee services		–	–	–	4,647	4,647
– transfer to retained earnings		–	–	4,943	(4,943)	–
2014 final dividends paid	10(b)	–	–	(75,101)	–	(75,101)
Total transactions with owners		–	–	(70,158)	(296)	(70,454)
Balance at 30 June 2015		174,653	2,376,850	927,506	(209,623)	3,269,386

The notes on pages 31 to 53 are an integral part of this condensed consolidated financial information.

Condensed Consolidated Cash Flow Statement

	Note	Unaudited Six months ended 30 June 2015 HK$'000	2014 HK$'000
Cash flows from operating activities			
Cash generated from operations		**38,941**	37,703
Interest paid on bank borrowings and overdrafts		**(6,314)**	(10,140)
Income tax paid		**(12,453)**	(13,670)
Net cash generated from operating activities		**20,174**	13,893
Cash flows from investing activities			
Purchase of property, plant and equipment		**(37,883)**	(57,102)
Proceeds from disposal of property, plant and equipment		**416**	155
Interest income received		**4,387**	14,971
Investments in convertible promissory note		**(19,390)**	–
Net cash used in investing activities		**(52,470)**	(41,976)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		**–**	291
Proceeds from borrowings		**587,531**	436,772
Repayment of borrowings		**(723,332)**	(200,000)
Dividends paid	10(b)	**(75,101)**	(147,288)
Net cash (used in)/generated from financing activities		**(210,902)**	89,775
Net (decrease)/increase in cash and cash equivalents		**(243,198)**	61,692
Cash and cash equivalents at beginning of the period		**465,837**	1,319,342
Effect on foreign exchange rates changes		**1,626**	(24,747)
Cash and cash equivalents at end of the period		**224,265**	1,356,287
Cash and cash equivalents comprises:			
Bank overdrafts		**(66,041)**	(50,937)
Cash and cash equivalents (excluding bank overdrafts)		**290,306**	1,407,224
Cash and cash equivalents		**224,265**	1,356,287

The notes on pages 31 to 53 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 and wholesale of high-end 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 thousand of units of Hong Kong dollars ("HK$" or "HKD"), unless otherwise stated.

This condensed consolidated financial information was approved for issue by the Board of Directors on 27 August 2015.

2 Basis of preparation

This unaudited condensed consolidated financial information for the six months ended 30 June 2015 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 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include HKASs and Interpretations).

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 2014.

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 2014.

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

3 Summary of principal accounting policies *(Continued)*

(a) Adoption of amendments to existing standards effective in 2015

The Group has adopted the following amendments to existing standards which are mandatory for accounting periods beginning on or after 1 January 2015 and relevant to the Group:

HKAS 19 (2011) (Amendment)	Employee Benefits: Defined Benefit Plans – Employee Contribution
Annual Improvements Project	Annual Improvements 2010-2012 Reporting Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Reporting Cycle

The adoption of such amendments to existing standards and minor amendments to HKAS/HKFRS under the annual improvements projects of HKICPA does not have material impact on the condensed consolidated financial statements as at and for the six months ended 30 June 2015.

(b) New standards and amendments to existing standards that have been issued but are not yet effective

The following new standards and amendments to existing standards have been issued but are not yet effective and have not been early adopted by the Group:

HKAS 1 (Amendment)	Disclosure Initiative (effective for annual periods beginning on or after 1 January 2016)
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)
HKAS 16 and HKAS 41 (Amendments)	Bearer Plants (effective for annual periods beginning on or after 1 January 2016)
HKAS 27 (Amendment)	Separate Financial Statements: Equity Method (effective for annual periods beginning on or after 1 January 2016)
HKFRS 9 (2014)	Financial Instruments (effective for annual periods beginning on or after 1 January 2018)
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016)
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception (effective for annual periods beginning on or after 1 January 2016)
HKFRS 11 (Amendment)	Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016)
HKFRS 14	Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016)
HKFRS 15	Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2017)
Annual Improvements Project	Annual Improvements 2012-2014 Reporting Cycle (effective for annual periods beginning on or after 1 January 2016)

All these new standards and amendments to existing standards are effective in the financial year of 2016 or years after 2016. The Group is in the process of making an assessment of the impact of these new standards and amendments in the period of initial application.

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 except for foreign exchange risk, and should be read in conjunction with the Group's annual financial statements as at 31 December 2014.

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

Market risk

Foreign exchange risk

The Group is exposed to foreign currency risk arising from various currencies, primarily with respect to Renminbi ("RMB"), Euro ("EUR"), Pound Sterling ("GBP"), Japanese Yen ("JPY") and Taiwan Dollars ("TWD"). Foreign exchange risk arises from future commercial transactions or recognised assets or liabilities denominated in a currency that is not the entity's functional currency and net investments in foreign operations.

Management has adopted a policy to require Group companies to manage their foreign exchange risk against their functional currency. To manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, entities in the Group use forward contracts. As at 30 June 2015, the Group had no outstanding forward contracts. As at 31 December 2014, the Group had three outstanding forward contracts with notional principal amounts of EUR2,605,595 (buying EUR at fixed exchange rate of 9.8803 HKD), GBP1,445,650 (buying GBP at fixed exchange rate of 12.6372 HKD), and JPY68,514,730 (buying JPY at fixed exchange rate of 0.07118 HKD).

The Group assumes that its foreign exchange risk mainly comes from RMB denominated receivables, bank balances and payables recorded in the books of the Group's entities in Hong Kong and HKD denominated payables recorded in the books of the Group's entities in PRC. At 30 June 2015, if HK dollar had weakened or strengthened by 5% against the RMB with all other variables held constant, profit for the period would have been HK$36,708,000 (For the six months ended 30 June 2014: HK$93,581,000) respectively higher or lower, mainly as a result of foreign exchange gains or losses on translation of RMB denominated receivables, bank balances and payables recorded in the books of the Group's entities in Hong Kong and HKD denominated payables recorded in the books of the Group's entities in PRC.

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

4.2 Fair value estimation

The table below analyses financial instruments carried at fair value at the end of the reporting period, by level of the inputs to valuation techniques used to measure fair value. 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).

30 June 2015	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets				
Derivative financial instrument – conversion right embedded in convertible promissory note (Note 13)	–	–	6,019	6,019
Liabilities				
Contingent purchase consideration payable for acquisition (Note 17)	–	–	206,690	206,690

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

4.2 Fair value estimation *(Continued)*

31 December 2014	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets				
Derivative financial instrument – conversion right embedded in convertible promissory note (Note 13)	–	–	6,023	6,023
Liabilities				
Derivative financial instruments – forward exchange contracts	–	2,428	–	2,428
Contingent purchase consideration payable for acquisition (Note 17)	–	–	252,475	252,475
Total liabilities	–	2,428	252,475	254,903

There were no other changes in valuation techniques and no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the period (2014: nil).

(a) Valuation techniques used to derive Level 2 fair values

Level 2 financial instruments comprise forward exchange contracts, which had been determined using forward exchange rates that are quoted in an active market as at 31 December 2014. Since all significant inputs required to estimate the fair values were observable, the instruments were included in Level 2.

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

Level 3 financial instruments comprise conversion right embedded in a convertible promissory note and contingent purchase consideration payable for acquisition.

The fair value of conversion right embedded in convertible promissory note is determined using binomial model based on the estimated performance of British Heritage Brands, Inc ("BHB"). The valuation takes into account of the expected volatility of 30% with reference to the historical returns of comparable listed companies. The fair value measurement is positively correlated to the expected volatility. The Group's profit attributable to shareholders of the Company would increase/decrease and the conversion right would increase/decrease by HK$1,431,000 (For the six months ended 30 June 2014: HK$1,582,000) and HK$1,354,000 (For the six months ended 30 June 2014: HK$1,378,000) respectively if the expected volatility is 3.0% higher/lower at the end of the reporting period.

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

4.2 Fair value estimation *(Continued)*

(b) Fair value measurements using significant unobservable inputs (Level 3) (Continued)

The valuation technique used to determine contingent purchase consideration payable for acquisition is discounted cash flow analysis. The Group's acquisition of Gieves & Hawkes group involved post-acquisition performance-based contingent purchase consideration which was recognised at fair value at the acquisition date as part of the total consideration for the acquired business. The fair value measurement requires, among other things, significant estimation of post-acquisition performance of the acquired business and significant judgement in relation to the time value of money. All outstanding contingent purchase consideration will be re-measured at fair value reflecting the impact of any events or factors which occur after the acquisition date, with any resulting gain or loss recognised in the condensed consolidated income statement. The determination of outstanding contingent purchase consideration payable involves significant judgement and estimation of the future performance of the acquired business. The Group's profit attributable to shareholders of the Company would decrease/increase and the contingent purchase consideration payable would increase/decrease by HK$27,265,000 (For the six months ended 30 June 2014: HK$46,194,000) and HK$25,048,000 (For the six months ended 30 June 2014: HK$41,850,000) respectively if future revenue growth is 1% higher/lower than the estimation made by management at the end of the reporting period.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

	Conversion right embedded in convertible promissory note (Note 13) HK$'000	Contingent purchase consideration payable for acquisition (Note 17) HK$'000
Opening net book amount at 1 January 2015	**6,023**	**(252,475)**
Remeasurement gains recognised in profit or loss	–	49,995
Notional interest expenses on contingent purchase consideration payable for acquisition	–	(4,210)
Exchange differences	(4)	–
Closing net book amount at 30 June 2015	**6,019**	**(206,690)**
Total net (losses)/gains for the period included in profit or loss	(4)	45,785
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'	–	49,995
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'	–	(4,210)

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

4.2 Fair value estimation *(Continued)*

(b) Fair value measurements using significant unobservable inputs (Level 3) (Continued)

	Conversion right embedded in convertible promissory note (Note 13) HK$'000	Contingent purchase consideration payable for acquisition (Note 17) HK$'000
Opening net book amount at 1 January 2014	6,024	(319,301)
Remeasurement gains recognised in profit or loss	–	18,003
Notional interest expenses on contingent purchase consideration payable for acquisition	–	(6,587)
Exchange differences	(6)	–
Closing net book amount at 30 June 2014	6,018	(307,885)
Total net (losses)/gains for the period included in profit or loss	(6)	11,416
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'	–	18,003
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'	–	(6,587)

Of the total net gains recognised in profit or loss in these periods, all amounts are attributable to the change in unrealised net gains relating to those assets or liabilities held at the end of the reporting period.

For conversion right embedded in convertible promissory note HK$4,000 (For the six months ended 30 June 2014: HK$6,000) was included in 'Other gains/(losses) – net' in the interim condensed consolidated income statement.

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.

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

4.2 Fair value estimation *(Continued)*

(c) Group's valuation processes

The Group's Finance Department performs the valuations of financial assets and 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 inputs used by the Group include:

- The discount rate for conversion right embedded in convertible promissory note and estimated future performance of the BHB business. The discount rate is referenced to weighted average cost of capital of comparable listed companies. The estimated future performance of BHB business was determined with reference to senior management's best estimate.
- 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.

(d) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of the Group's financial assets (loan receivable, trade receivables, deposits, prepayments and other receivables 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 forward exchange contracts disclosed in Note 4.2 which had been grouped under 'other payables and accruals' as at 31 December 2014 and they were included in Level 2.

5 Segment information

The Group is principally engaged in the retailing and wholesale of high-end menswear in Greater China and Europe, as well as licensing its fully owned brands globally. The associates 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 segmental earnings before finance costs – net and income tax ("Segmental contributions") for the period. Corporate employee benefit expenses and overhead, finance income/(costs), other income and other gains/(losses) – net are not allocated to segments. Inter-segment revenue are priced with reference to prices charged to external parties for similar orders. During the period, certain amendments and reclassifications (allocation of certain expenses from individual segment to corporate management overheads) were made to the management reports 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.

5 Segment information *(Continued)*

(a) Segment results

The segment results for the six months ended 30 June 2015 are as follows:

	Unaudited									
	HK & Macau		Chinese Mainland		Taiwan	Europe			Others	
	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Retail HK$'000	Wholesale HK$'000	Licensing HK$'000	Retail HK$'000	Total HK$'000
Total segment revenue	296,585	184,984	491,506	3,372	78,807	79,303	29,755	66,210	1,668	1,232,190
Inter-segment revenue	–	(182,097)	–	–	–	–	(24,093)	(19,591)	–	(225,781)
Segment revenue and revenue from external customers	296,585	2,887	491,506	3,372	78,807	79,303	5,662	46,619	1,668	1,006,409
Gross profit	220,920	896	344,584	(59)	53,193	41,968	1,985	46,619	1,292	711,398
Segmental contributions	464	896	13,858	(1,153)	13,789	(8,669)	(5,469)	36,994	(1,937)	48,773
Segmental contributions includes:										
Depreciation	(11,673)	–	(41,319)	(1,132)	(2,420)	(5,774)	(306)	(46)	(278)	(62,948)
Share of profit of associates	–	–	–	–	–	–	–	–	1,740	1,740
Segment asset as at 30 June 2015	160,616	–	267,091	–	39,511	40,032	–	–	2,807	510,057

5 Segment information *(Continued)*

(a) Segment results (Continued)

The segment results for the six months ended 30 June 2014 are as follows:

	Unaudited									
	HK & Macau		Chinese Mainland		Taiwan	Europe			Others	
	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Wholesale HK$'000	Retail HK$'000	Retail HK$'000	Wholesale HK$'000	Licensing HK$'000	Retail HK$'000	Total HK$'000
Total segment revenue	385,913	408,860	628,672	5,048	94,861	82,932	42,809	78,518	–	1,727,613
Inter-segment revenue	–	(405,639)	–	–	–	–	(41,468)	(20,944)	–	(468,051)
Segment revenue and revenue from external customers	385,913	3,221	628,672	5,048	94,861	82,932	1,341	57,574	–	1,259,562
Gross profit	314,269	1,426	504,446	3,856	72,800	44,602	(478)	57,574	–	998,495
Segmental contributions	77,408	1,426	128,958	3,151	28,211	(14,413)	(6,377)	34,872	4,558	257,794
Segmental contributions includes:										
Depreciation	(10,395)	–	(58,599)	(613)	(1,701)	(5,718)	(122)	(83)	–	(77,231)
Reversal of provision for impairment of property, plant and equipment	–	–	–	–	–	339	–	–	–	339
Share of profit of associates	–	–	–	–	–	–	–	–	4,558	4,558
Segment asset as at 31 December 2014	196,036	–	319,403	–	47,230	49,806	–	–	–	612,475

5 Segment information *(Continued)*

(b) A reconciliation of Segmental contributions to the Group's (loss)/profit before income tax is as follows:

	Unaudited Six months ended 30 June	
	2015 **HK$'000**	2014 HK$'000
Segmental contributions for reportable segments	**48,773**	257,794
Add:		
Other income	**55,685**	29,746
Other gains/(losses) – net	**2,365**	(38,083)
Less:		
Finance costs – net	**(6,908)**	(948)
Employee benefit expenses	**(103,035)**	(93,967)
Rental and other operating expenses	**(21,351)**	(19,266)
Depreciation	**(6,199)**	(7,437)
Legal and professional fees	**(10,901)**	(8,173)
Product design and related management expenses	**(13,476)**	(7,745)
Other unallocated expenses	**(15,742)**	(14,792)
Total Group's (loss)/profit before income tax	**(70,789)**	97,129

5 Segment information *(Continued)*

(c) Geographic information

The following tables set out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's property, plant and equipment, intangible assets, deposits, prepayments and other receivables and investments in associates ("specified non-current assets"). The geographical location of customers is based on the location at which the goods were delivered or the licensing services were provided.

The geographical analysis of revenue from external customers is as follows:

	Unaudited Six months ended 30 June	
	2015 HK$'000	2014 HK$'000
Hong Kong & Macau	**296,585**	385,913
Chinese Mainland	**494,878**	633,720
Taiwan	**78,807**	94,861
France	**7,173**	10,203
United Kingdom	**76,576**	77,195
Italy	**15,131**	19,110
Switzerland	**10,354**	12,808
USA	**14,794**	15,881
Other countries	**12,111**	9,871
Total	**1,006,409**	1,259,562

Revenues from the individual countries included in other countries are not material.

The geographical location of specified non-current assets is as follows:

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
Hong Kong & Macau	**584,774**	590,514
Chinese Mainland	**824,785**	841,825
Taiwan	**82,725**	84,472
France	**674,011**	690,670
United Kingdom	**792,351**	795,295
Singapore	**357,402**	356,763
South Korea	**105,093**	104,600
Malaysia	**9,752**	10,331
Thailand	**4,024**	4,485
Total	**3,434,917**	3,478,955

6 Operating (loss)/profit

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

	Unaudited Six months ended 30 June	
	2015 HK$'000	2014 HK$'000
Write off of inventories	4,181	1,643
Reversal of provision for impairment of inventories (note (a))	(10,338)	(40,355)
Depreciation of property, plant and equipment (Note 11)	69,147	84,668
Reversal of provision for impairment of property, plant and equipment (Note 11)	–	(339)
Loss on disposal of property, plant and equipment	4,926	2,442
Additional provision for impairment of trade receivables	631	171
Employee benefit expenses	323,050	337,243
Advertising and promotion expenses (note (b))	60,647	76,815
Royalty expenses	2,724	3,447

Notes:

(a) The reversal of provision for impairment of inventories arose due to an increase in the estimated net realisable value of inventories after reassessment of the utilisation of available distribution channels and expected sales pattern.

(b) Advertising and promotion expenses included employee benefit expenses of HK$6,401,000 (For the six months ended 30 June 2014: HK$5,250,000) and operating lease rental expenses of HK$1,196,000 (For the six months ended 30 June 2014: HK$682,000).

7 Other gains/(losses) – net

	Unaudited Six months ended 30 June	
	2015 HK$'000	2014 HK$'000
Fair value losses on forward foreign exchange contracts	(485)	(709)
Net foreign exchange gains/(losses)	2,850	(37,374)
Other gains/(losses) – net	2,365	(38,083)

8 Income tax

Hong Kong profits tax has been provided for at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the six months ended 30 June 2015. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries or regions in which the Group operates.

	Unaudited Six months ended 30 June	
	2015 HK$'000	2014 HK$'000
Current income tax		
– Hong Kong profits tax	**2,475**	10,039
– Overseas taxation	**3,524**	8,768
– Over provision in prior years	**(2,852)**	(5,010)
Deferred income tax	**(26,524)**	4,319
	(23,377)	18,116

9 (Loss)/earnings per share

(a) Basic

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

	Unaudited Six months ended 30 June	
	2015	2014
Weighted average number of ordinary shares in issue	**1,746,529,000**	1,732,747,000
(Loss)/profit attributable to shareholders of the Company (HK$'000)	**(47,412)**	79,013
Basic (loss)/earnings per share (HK cents per share)	**(2.7) cents**	4.6 cents

(b) Diluted

The calculation of diluted (loss)/earnings per share is based on the loss attributable to shareholders of the Company of HK$47,412,000 (For the six months ended 30 June 2014: profit of HK$79,013,000) and the weighted average number of 1,746,529,000 ordinary shares in issue (As at 30 June 2014: 1,735,741,000 ordinary shares in issue after adjusting for the effect of all dilutive potential ordinary shares under the Company's share option schemes).

The calculation of diluted loss per share amount for the period ended 30 June 2015 did not include the potential effect of the deemed issue of shares under the Company's share option scheme as it had an anti-dilutive effect on the basic loss per share amount during the period (For the six months ended 30 June 2014: diluted earnings per share 4.6 HK cents).

10 Dividends

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

	Unaudited Six months ended 30 June	
	2015 HK$'000	2014 HK$'000
Interim dividend of HK cents: nil (2014: 2.4 HK cents) per ordinary share	**–**	41,790

The Board of Directors has resolved not to declare any interim dividend for the six months ended 30 June 2015 (2014: 2.4 HK cents per ordinary share).

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

	Unaudited Six months ended 30 June	
	2015 HK$'000	2014 HK$'000
Final dividend approved and paid (2015: 4.3 HK cents; 2014: 8.5 HK cents) per ordinary share	**75,101**	147,288

11 Property, plant and equipment and intangible assets

	Property, plant and equipment HK$'000	Intangible assets HK$'000
Opening net book amount at 1 January 2015	**236,985**	**3,054,502**
Exchange differences	**(481)**	**(15,046)**
Additions	**43,618**	**–**
Disposals	**(5,342)**	**–**
Depreciation (Note 6)	**(69,147)**	**–**
Closing net book amount at 30 June 2015 (unaudited)	**205,633**	**3,039,456**
Opening net book amount at 1 January 2014	278,572	3,080,812
Exchange differences	(2,853)	(485)
Additions	58,451	–
Disposals	(2,597)	–
Reversal of impairment provision (Note 6)	339	–
Depreciation (Note 6)	(84,668)	–
Closing net book amount at 30 June 2014 (unaudited)	247,244	3,080,327

The recoverable amount of the property, plant and equipment is its value in use, which amounted to HK$205,633,000 (As at 31 December 2014: HK$236,985,000).

12 Loan receivable

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
Non-current assets		
Loan receivable	**91,600**	71,930
Less: provision for impairment of loan receivable	–	–
Loan receivable – net	**91,600**	71,930

(a) On 21 August 2013, the Group entered into a convertible promissory note transaction with BHB, a licensee of Kent & Curwen in Europe, North America, Central America, South America, Russia and the Middle East. Under the terms of the agreement, the Group would contribute a maximum aggregate amount of USD15.0 million in four tranches over two years with the first and second tranches of USD6.75 million and USD3.25 million already paid as at 31 December 2013. During the period ended 30 June 2015, the Group has further contributed USD2.5 million. For the remaining USD2.5 million, the Group is required to pay to BHB, subject to the satisfaction of the relevant benchmarks as prescribed under the agreement. The convertible promissory note carries interest at 5% per annum maturing on 31 December 2027 with a right of conversion up to 23.94% equity interest of BHB during the period commencing on the earlier of either (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.

(b) The convertible promissory note is denominated in US dollars.

(c) The effective interest rate of the convertible promissory note at the end of the reporting period was 5.38% (31 December 2014: 5.38%).

(d) As at 30 June 2015 and 31 December 2014, the carrying amount of the Group's loan receivable approximates its fair value.

13 Derivative financial instrument

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
Non-current assets		
Conversion right embedded in convertible promissory note (Note 4.2(b))	**6,019**	6,023

The conversion right embedded in convertible promissory note referred to the Group's investment in an unlisted convertible promissory note issued by BHB mentioned in Note 12.

14 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 2015, the ageing analysis by invoice date of trade receivables of the Group is as follows:

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
1–30 days	**32,728**	110,565
31–60 days	**11,184**	51,367
61–90 days	**13,865**	6,569
Over 90 days	**26,446**	13,199
	84,223	181,700
Less: provision for impairment of trade receivables	**(2,304)**	(1,722)
	81,919	179,978

As at 30 June 2015, the fair values of the Group's trade receivables are approximately the same as their carrying amounts.

15 Share capital, share premium and options

	Number of authorised shares of HK$0.10 each (Thousands)	Number of issued and fully paid shares of HK$0.10 each (Thousands)	Amount: Ordinary shares of HK$0.10 each HK$'000	Amount: Share premium HK$'000	Amount: Total HK$'000
At 1 January 2014	4,000,000	1,732,637	173,264	2,355,300	2,528,564
Exercise of share options	–	13,892	1,389	21,550	22,939
At 31 December 2014	4,000,000	1,746,529	174,653	2,376,850	2,551,503
At 30 June 2015	**4,000,000**	**1,746,529**	**174,653**	**2,376,850**	**2,551,503**

No ordinary shares were issued during the six months ended 30 June 2015.

15 Share capital, share premium 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 31 December 2014	36,250,000	2.44
Lapsed	(3,250,000)	6.92
At 1 January 2015	**33,000,000**	**1.99**
Forfeited	**(360,000)**	**2.01**
At 30 June 2015	**32,640,000**	**1.99**

At the end of the period, there were 32,640,000 (31 December 2014: 36,250,000) outstanding share options and out of which, 10,880,000 share options were exercisable (31 December 2014: 3,250,000). On 1 January 2015, 3,250,000 share options lapsed upon the expiry of the exercisable period ended 31 December 2014 and therefore the number of outstanding share options on 1 January 2015 was 33,000,000. Aggregating the 3,250,000 lapsed share options and 360,000 share options forfeited during the period, the total number of lapsed/forfeited share options was 3,610,000 at 30 June 2015. The Company has no legal or constructive obligation to settle the share options in cash.

The outstanding share options as at 30 June 2015 were granted under the Post-IPO Share Option Scheme. Details of Post-IPO Share Option Scheme adopted by the Group are set out in the annual report for the year ended 31 December 2014.

The share options outstanding at 30 June 2015 had a weighted average remaining contractual life of 2.51 years (31 December 2014: 2.73 years).

16 Trade payables

At 30 June 2015, the ageing analysis by invoice date of the Group's trade payables is as follows:

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
1–30 days	**35,031**	17,043
31–60 days	**2,436**	6,238
61–90 days	**9,727**	4,279
Over 90 days	**15,826**	16,310
	63,020	43,870

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

17 Contingent purchase consideration payable for acquisition

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
Total contingent purchase consideration payable for acquisition (note)	**206,690**	252,475
Less: current portion of contingent purchase consideration payable for acquisition	**–**	–
Non-current portion of contingent purchase consideration payable for acquisition	**206,690**	252,475

Note: Balance represents management's best estimation of the fair value of contingent purchase consideration payable for the acquisition as detailed in Note 4.2(b). Final amount of consideration settlement would be determined based on future performance of the acquired business.

18 Borrowings

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
Non-current		
Bank borrowing, secured	**180,000**	–
	180,000	–
Current		
Bank overdrafts	**66,041**	56,840
Bank borrowings, secured	**372,057**	691,080
	438,098	747,920
Total borrowings	**618,098**	747,920

Movements in bank borrowings are analysed as follows:

	HK$'000
Opening amount as at 1 January 2015	**691,080**
Proceeds from borrowings	**587,352**
Repayments of borrowings	**(726,375)**
Closing amount as at 30 June 2015 (unaudited)	**552,057**
Opening amount as at 1 January 2014	1,410,000
Proceeds from borrowings	436,439
Repayments of borrowings	(200,000)
Closing amount as at 30 June 2014 (unaudited)	1,646,439

18 Borrowings *(Continued)*

(a) The bank borrowings as at 30 June 2015 and 31 December 2014 are repayable as follows:

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
Within 1 year	372,057	691,080
Between 1 and 2 years	40,000	–
Between 2 and 5 years	140,000	–
	552,057	691,080

(b) The carrying amounts of the Group's borrowings are denominated in the following currencies:

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
HKD	500,000	600,000
EUR	66,841	54,788
GBP	51,257	39,800
RMB	–	53,332
	618,098	747,920

(c) The carrying amounts of the Group's borrowings approximate their fair values.

(d) All the borrowings were either secured by guarantees from the Company or a subsidiary of the Company.

(e) As at 30 June 2015, the Group had unutilised banking facilities amounted to HK$2,521 million (31 December 2014: HK$1,815 million).

(f) As at 30 June 2015, there were no material changes in the interest rate structure of the borrowings of the Group, nor the currency in which the cash and cash equivalents of the Group were held, as compared to that as at 31 December 2014.

19 Contingent Liabilities

Save as disclosed elsewhere in this report, the Group had no significant contingent liabilities as at 30 June 2015.

20 Commitments

(a) Commitments under operating leases – group company as lessee

The Group leases various retail outlets, offices and warehouses under non-cancellable operating lease agreements. The remaining lease terms are between 1 and 25 years, and the majority of lease agreements are renewable at the end of the lease period at market rate. Certain contingent rent payments are determined based on turnover of respective stores.

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

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
No later than 1 year	**335,493**	375,151
Later than 1 year but no later than 5 years	**405,180**	495,951
Later than 5 years	**69,723**	93,434
	810,396	964,536

(b) Commitments under operating leases – group company as lessor

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

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
No later than 1 year	**3,073**	3,298
Later than 1 year but no later than 5 years	**741**	2,401
	3,814	5,699

(c) Capital commitment for property, plant and equipment

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
Contracted but not provided for:		
– Within 1 year	**3,137**	1,922
– Later than 1 year but no later than 2 years	**132**	–
	3,269	1,922

20 Commitments *(Continued)*

(d) Other commitments

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
Contracted but not provided for:		
– Within 1 year	**2,540**	5,994
– Later than 1 year but no later than 2 years	**584**	1,559
	3,124	7,553

21 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	2015 HK$'000	2014 HK$'000
(I) Transactions with the Substantial Shareholder Group			
Purchase of goods	(ii)	**9,590**	4,654
Sub-contracting fee expense for production of product parts	(i)	**3,777**	15,410
Management fee income for provision of warehouse, logistics and IT services	(ii)	**–**	558
Service fee expense for provision of corporate compliance services, legal services and other administrative expenses	(ii)	**2,813**	2,876
Service fee expense for provision of warehouse and logistics services		**5,401**	6,087
Reimbursement of operating cost for provision of sourcing services	(ii)	**1,862**	–
Rental and management fee expense		**1,976**	2,069

21 Related party transactions *(Continued)*

(a) Significant related party transactions (Continued)

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

	Note	Unaudited Six months ended 30 June 2015 HK$'000	2014 HK$'000
(II) Transactions with other related parties			
Consultancy and advisory service fee paid to directors of subsidiaries of the Company	(ii)	**522**	563
Consultancy and advisory services expense paid to a company controlled by a director of the Company		**–**	2,120
Advertising and promotion expense paid to an associate of a director of the Company	(ii)	**419**	539

Notes:

(i) During the period, the Group had incurred expenses in respect of sub-contracting services for production of product parts by associated companies of the Substantial Shareholder Group. And three Non-executive Directors of the Company, namely, Dr Victor FUNG Kwok King, Dr William FUNG Kwok Lun and Ms Sabrina FUNG Wing Yee, had deemed interests therein.

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

(b) Balances with related parties

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
Due from		
Substantial Shareholder Group	**338**	77
Due to		
Substantial Shareholder Group	**9,886**	13,089

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

(c) Key management compensation

Key management compensation amounted to HK$19,277,000 for the six months ended 30 June 2015 (2014: HK$16,700,000).

22 Events after the reporting period

Save as disclosed elsewhere in this report, there was no other significant subsequent events that took place subsequent to 30 June 2015.

Additional Information

Same-store Retail Sales Growth

	For the six months ended 30 June 2015	For the six months ended 30 June 2014
Chinese Mainland	**-16.4%**	-6.0%
Hong Kong & Macau	**-19.9%**	-0.3%
Taiwan	**-15.8%**	2.9%
Europe	**3.8%**	0.4%
Group total	**-15.9%**	-3.0%