

The background of the cover is a vibrant blue with a complex, futuristic digital pattern. It features concentric circles, various geometric shapes like rectangles and squares, and lines that suggest a circuit board or data network. A bright, glowing white circle is positioned in the center, surrounded by smaller, semi-transparent circles. Four larger, metallic-looking circular frames are overlaid on the design: one purple, one yellow, one green, and one white. The white frame in the bottom right contains the text '2015 Interim Report'.

**TRULY**<sup>®</sup>

**Truly International Holdings Limited**

(Incorporated in the Cayman Islands with limited liability)  
Stock Code: 00732

**2015**  
**Interim Report**

## CONTENTS

2 Financial Highlights

### **Financial Results**

4 Condensed Consolidated Statement of Profit  
or Loss and Other Comprehensive Income

6 Condensed Consolidated Statement of  
Financial Position

8 Condensed Consolidated Statement of  
Changes in Equity

10 Condensed Consolidated Statement of  
Cash Flows

11 Notes to the Condensed Consolidated  
Financial Statements

24 Management Discussion and Analysis

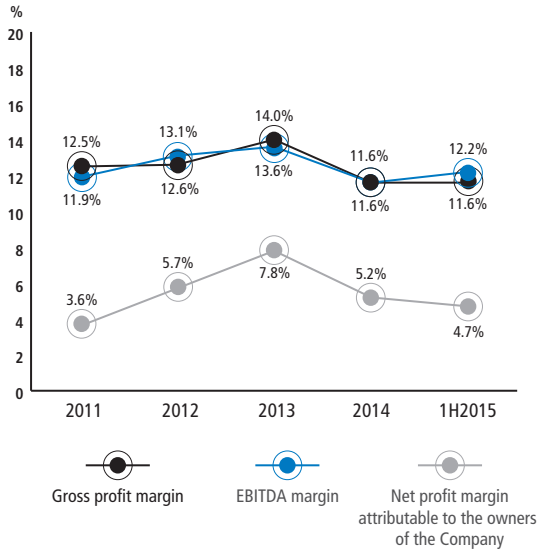
27 Other Information

## FINANCIAL HIGHLIGHTS

### For the six months ended 30 June

	<b>2015</b> <b>Unaudited</b> <b>HK\$'000</b>	2014 Unaudited HK\$'000	Change
Revenue	<b>9,520,166</b>	9,524,490	-0.04%
Gross profit	<b>1,100,350</b>	1,195,422	-8.0%
Profit for the period attributable to the Owners of the Company	<b>448,600</b>	503,158	-10.8%
EBITDA	<b>1,164,904</b>	1,106,603	+5.3%
Basic EPS (HK cents)	<b>15.43</b>	17.26	-10.6%
DPS (HK cents)			
— First Interim	<b>2</b>	2	—
— Second Interim	<b>3</b>	5	-40.0%

## ANALYSIS OF EBITDA, GROSS AND NET PROFIT MARGINS (%)



# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
<b>REVENUE</b>	3	<b>9,520,166</b>	9,524,490
Cost of sales		<b>(8,419,816)</b>	(8,329,068)
Gross profit		<b>1,100,350</b>	1,195,422
Other income		<b>68,686</b>	34,372
Other gains and losses		<b>(36,610)</b>	(56,089)
Impairment loss on available-for-sale investments		<b>(8,077)</b>	–
Administrative expenses		<b>(196,442)</b>	(205,975)
Distribution and selling expenses		<b>(203,655)</b>	(194,037)
Finance costs	4	<b>(50,347)</b>	(42,555)
Share of result of an associate		<b>(21,939)</b>	(2,269)
<b>PROFIT BEFORE TAX</b>		<b>651,966</b>	728,869
<b>INCOME TAX EXPENSE</b>	5	<b>(149,952)</b>	(168,885)
<b>PROFIT FOR THE PERIOD</b>	6	<b>502,014</b>	559,984
<b>OTHER COMPREHENSIVE (EXPENSE) INCOME</b>			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		<b>(27,713)</b>	(240,919)
Fair value (loss) gain on available-for-sale investments		<b>(38,463)</b>	15,317
Share of exchange differences arising on translation of an associate		<b>(2,896)</b>	–
Other comprehensive expense for the period		<b>(69,072)</b>	(225,602)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>432,942</b>	334,382

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the six months ended 30 June 2015

		<b>Six months ended 30 June</b>	
	Notes	<b>2015 HK\$'000 (Unaudited)</b>	2014 HK\$'000 (Unaudited)
Profit for the period attributable to:			
Owners of the Company		<b>448,600</b>	503,158
Non-controlling interests		<b>53,414</b>	56,826
		<b>502,014</b>	559,984
Total comprehensive income for the period attributable to:			
Owners of the Company		<b>380,417</b>	285,487
Non-controlling interests		<b>52,525</b>	48,895
		<b>432,942</b>	334,382
<b>EARNINGS PER SHARE</b>			
Basic	8	<b>HK15.43 cents</b>	HK17.26 cents

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	7,131,225	6,780,598
Prepaid lease payments		144,838	147,966
Intangible assets		–	49
Goodwill		413	413
Interest in an associate		1,282,288	734,843
Available-for-sale investments	10	126,115	133,500
Deferred tax assets		8,847	8,867
Deposits paid for acquisition of property, plant and equipment		53,022	138,956
		<b>8,746,748</b>	7,945,192
<b>CURRENT ASSETS</b>			
Inventories		1,947,936	1,511,346
Prepaid lease payments		4,093	4,102
Trade and other receivables	11	5,012,398	5,578,212
Tax recoverable		33,815	26,442
Bank balances and cash		2,371,152	3,663,710
		<b>9,369,394</b>	10,783,812
Non-current assets held for sale	12	859	2,524
		<b>9,370,253</b>	10,786,336
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	5,087,545	5,657,407
Tax liabilities		77,187	31,423
Bank and other borrowings, unsecured	14	3,979,180	4,568,555
Derivative financial instruments		38,981	33,462
		<b>9,182,893</b>	10,290,847

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

At 30 June 2015

	Notes	30 June 2015 HK\$'000 (Unaudited)	31 December 2014 HK\$'000 (Audited)
<b>NET CURRENT ASSETS</b>		<b>187,360</b>	495,489
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>8,934,108</b>	8,440,681
<b>NON-CURRENT LIABILITIES</b>			
Bank and other borrowings, unsecured	14	<b>1,137,019</b>	868,739
Deferred tax liabilities		<b>44,285</b>	48,583
		<b>1,181,304</b>	917,322
		<b>7,752,804</b>	7,523,359
<b>CAPITAL AND RESERVES</b>			
Share capital	15	<b>58,142</b>	58,142
Share premium and reserves		<b>7,195,684</b>	7,018,764
Equity attributable to owners of the Company		<b>7,253,826</b>	7,076,906
Non-controlling interests		<b>498,978</b>	446,453
Total equity		<b>7,752,804</b>	7,523,359



# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Share Capital HK\$'000	Share Premium HK\$'000	Special Reserve HK\$'000 (note a)
At 1 January 2014 (audited)	58,392	832,478	990
Profit for the period	-	-	-
Other comprehensive (expense) income for the period			
— Exchange differences arising on translation of foreign operations	-	-	-
— Fair value gain on available-for-sale investments	-	-	-
Other comprehensive (expense) income for the period	-	-	-
Total comprehensive (expense) income for the period	-	-	-
Dividends recognised as distribution (note 7)	-	-	-
Share repurchased and cancelled	(168)	(37,097)	-
At 30 June 2014 (unaudited)	58,224	795,381	990
Profit for the period	-	-	-
Other comprehensive income (expense) for the period			
— Exchange differences arising on translation of foreign operations	-	-	-
— Exchange differences arising on translation of an associate	-	-	-
— Fair value loss on available-for-sale investments	-	-	-
— Reclassification to profit or loss on impairment loss of available-for-sale investments	-	-	-
Other comprehensive income (expense) for the period	-	-	-
Total comprehensive income (expense) for the period	-	-	-
Transfer	-	-	-
Dividends recognised as distribution (note 7)	-	-	-
Share repurchased and cancelled	(82)	(17,353)	-
Transaction cost attributable to share repurchased	-	(103)	-
At 31 December 2014 (audited)	58,142	777,925	990
Profit for the period	-	-	-
Other comprehensive expense for the period			
— Exchange differences arising on translation of foreign operations	-	-	-
— Exchange differences arising on translation of an associate	-	-	-
— Fair value loss on available-for-sale investments	-	-	-
Other comprehensive expense for the period	-	-	-
Total comprehensive (expense) income for the period	-	-	-
Dividends recognised as distribution (note 7)	-	-	-
At 30 June 2015 (unaudited)	58,142	777,925	990

Notes:

- (a) The special reserve represents the difference between the nominal value of the shares of the subsidiaries acquired and the nominal value of the Company's shares issued for the acquisitions.
- (b) Other reserves comprise: (i) the statutory surplus reserve and the enterprise expansion reserve of the subsidiaries established in the People's Republic of China (the "PRC") other than Hong Kong. According to the Articles of

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2015

Capital redemption reserve HK\$'000	Exchange reserve HK\$'000	Other reserves HK\$'000 (note b)	Investment revaluation reserves HK\$'000	Retained profits HK\$'000	Total equity attributable to owners of the Company HK\$'000	Non-controlling interest HK\$'000	Total HK\$'000
617	1,026,669	1,007,390	116,592	3,860,992	6,904,120	322,736	7,226,856
-	-	-	-	503,158	503,158	56,826	559,984
-	(232,988)	-	-	-	(232,988)	(7,931)	(240,919)
-	-	-	15,317	-	15,317	-	15,317
-	(232,988)	-	15,317	-	(217,671)	(7,931)	(225,602)
-	(232,988)	-	15,317	503,158	285,487	48,895	334,382
-	-	-	-	(407,881)	(407,881)	-	(407,881)
168	-	-	-	(168)	(37,265)	-	(37,265)
785	793,681	1,007,390	131,909	3,956,101	6,744,461	371,631	7,116,092
-	-	-	-	615,211	615,211	74,081	689,292
-	36,200	-	-	-	36,200	741	36,941
-	1,745	-	-	-	1,745	-	1,745
-	-	-	(73,369)	-	(73,369)	-	(73,369)
-	-	-	2,743	-	2,743	-	2,743
-	37,945	-	(70,626)	-	(32,681)	741	(31,940)
-	37,945	-	(70,626)	615,211	582,530	74,822	657,352
-	-	127,822	-	(127,822)	-	-	-
-	-	-	-	(232,547)	(232,547)	-	(232,547)
82	-	-	-	(82)	(17,435)	-	(17,435)
-	-	-	-	-	(103)	-	(103)
867	831,626	1,135,212	61,283	4,210,861	7,076,906	446,453	7,523,359
-	-	-	-	448,600	448,600	53,414	502,014
-	(26,824)	-	-	-	(26,824)	(889)	(27,713)
-	(2,896)	-	-	-	(2,896)	-	(2,896)
-	-	-	(38,463)	-	(38,463)	-	(38,463)
-	(29,720)	-	(38,463)	-	(68,183)	(889)	(69,072)
-	(29,720)	-	(38,463)	448,600	380,417	52,525	432,942
-	-	-	-	(203,497)	(203,497)	-	(203,497)
867	801,906	1,135,212	22,820	4,455,964	7,253,826	498,978	7,752,804

Association of the PRC subsidiaries, a percentage of net profit as reported in the PRC statutory accounts should be transferred to the statutory surplus reserve and the enterprise expansion reserve determined at the discretion of the board of directors of these companies. The statutory surplus reserve can be set off against accumulated loss whilst the enterprise expansion reserve can be used for expansion of production facilities or an increase in registered capital; and (ii) difference between the carrying amount of interest in a subsidiary disposed of and the consideration received arising from the decrease in equity interest in a subsidiary.

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
NET CASH FROM OPERATING ACTIVITIES	<b>639,615</b>	758,952
NET CASH USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	<b>(686,970)</b>	(718,021)
Placement of fixed deposits	–	(226,449)
Investment in an associate	<b>(574,960)</b>	(598,560)
Investment in available-for-sale investments	<b>(39,155)</b>	–
Deposits paid for acquisition of property, plant and equipment	<b>(53,022)</b>	(59,611)
Other investing cash flows	<b>28,496</b>	19,347
	<b>(1,325,611)</b>	(1,583,294)
NET CASH USED IN FINANCING ACTIVITIES		
Repayment of bank and other borrowings	<b>(3,703,036)</b>	(2,341,139)
Dividends paid	<b>(232,556)</b>	(407,881)
New bank and other borrowings raised	<b>3,397,787</b>	2,769,710
Payment on repurchase of shares	–	(37,265)
Proceeds from issue of shares	–	–
Other financing cash flows	<b>(50,347)</b>	(42,555)
	<b>(588,152)</b>	(59,130)
NET DECREASE IN CASH AND CASH EQUIVALENTS	<b>(1,274,148)</b>	(883,472)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	<b>3,663,710</b>	2,805,714
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<b>(18,410)</b>	(22,190)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	<b>2,371,152</b>	1,900,052

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 (HKAS 34) *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at revalued amounts or fair values, as appropriate.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

The HKICPA has issued certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) that are first effective for the current accounting period of the Group. These revised HKFRSs have no significant impact on the interim report of the Group for the periods ended 30 June 2015 and 2014, respectively.

## 3. SEGMENT INFORMATION

Information reported to the Executive Directors of the Company, the chief operating decision makers, for the purpose of resources allocation and assessment of performance is focused on the sales of different types of products. Inter-segment sales are charged at prevailing market rates. Thus the Group is currently organised into two operating segments which are sales of liquid crystal display (“LCD”) products and electronic consumer products. The information for each operating segment is as follows:

LCD products	—	manufacture and distribution of LCD and touch panel products
Electronic consumer products	—	manufacture and distribution of electronic consumer products such as compact camera module, personal health care products and electrical devices

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 3. SEGMENT INFORMATION (continued)

### Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segments:

Six months ended 30 June 2015 (Unaudited)

	LCD products HK\$'000	Electronic consumer products HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>					
External sales	8,079,887	1,440,279	9,520,166	–	9,520,166
Inter-segment sales	–	131,609	131,609	(131,609)	–
	<b>8,079,887</b>	<b>1,571,888</b>	<b>9,651,775</b>	<b>(131,609)</b>	<b>9,520,166</b>
<b>RESULT</b>					
Segment result	707,010	38,558	745,568	(3,158)	742,410
Finance costs					(50,347)
Share of result of an associate					(21,939)
Unallocated expenses					(18,158)
Profit before tax					<b>651,966</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 3. SEGMENT INFORMATION (continued) Segment revenues and results (continued)

Six months ended 30 June 2014 (Unaudited)

	LCD products HK\$'000	Electronic consumer products HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>					
External sales	8,357,016	1,167,474	9,524,490	–	9,524,490
Inter-segment sales	–	124,800	124,800	(124,800)	–
	8,357,016	1,292,274	9,649,290	(124,800)	9,524,490
<b>RESULT</b>					
Segment result	721,502	65,133	786,635	(3,000)	783,635
Finance costs					(42,555)
Share of result of an associate					(2,269)
Unallocated expenses					(9,942)
Profit before tax					728,869

## 4. FINANCE COSTS

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Interest on bank and other borrowings wholly repayable within five years	<b>50,347</b>	42,555

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 5. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

Income tax arising in the PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

Pursuant to the relevant law and regulations in the PRC, two of the Company's PRC subsidiaries were approved as Hi-Tech Enterprise and entitled to 15% PRC enterprise income tax for three years from 2012 to 2014 and the application for extension for further three years with effect from 1 January 2015 were submitted during the current period.

Pursuant to the PRC Enterprise Income Tax Law and the Detailed Implementation Rules, distribution of the profits earned by the PRC subsidiaries since 1 January 2008 to holding companies incorporated in Hong Kong is subject to PRC withholding tax at the applicable tax rate of 5%.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 6. PROFIT FOR THE PERIOD

	<b>Six months ended 30 June</b>	
	<b>2015</b>	2014
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Profit for the period has been arrived at after charging:		
Auditor's remuneration	<b>1,615</b>	1,400
Cost of inventories recognised as an expense	<b>7,235,073</b>	7,348,585
Depreciation and amortisation on:		
Property, plant and equipment	<b>440,605</b>	332,838
Technical know-how included in cost of sales	<b>47</b>	72
	<b>440,652</b>	332,910
Loss on disposal of property, plant and equipment	<b>16,476</b>	12,744
Operating lease rental in respect of rented premises	<b>5,487</b>	5,709
Release of prepaid lease payments	<b>2,495</b>	2,461
Staff costs, inclusive of directors' remuneration	<b>960,446</b>	840,291
Other taxes	<b>32,192</b>	63,367



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 7. DIVIDENDS

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Dividend recognised as distribution during the period:		
2014 Final dividend of 5 HK cents (2013 Final dividend of 12 HK cents) per share	145,355	349,586
2015 Interim dividend of 2 HK cents (2014 Interim dividend of 2 HK cents) per share	58,142	58,295
	<b>203,497</b>	407,881

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

### Earnings

	Six months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Earnings for the purposes of basic and diluted earnings per share attributable to the owners of the Company	448,600	503,158

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 8. EARNINGS PER SHARE (continued) Number of shares

	2015 '000	2014 '000
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	<b>2,907,099</b>	2,914,580

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the shares repurchase during the interim period of 2014.

No diluted earnings per share is presented as there was no significant potential ordinary shares outstanding at the end of 30 June 2015 and 2014, respectively.

## 9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired certain property, plant and equipment amounting to HK\$825,926,000 (six months ended 30 June 2014: HK\$774,757,000).

During the period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK\$17,514,000 (six months ended 30 June 2014: HK\$14,717,000) for a cash consideration of HK\$1,038,000 (six months ended 30 June 2014: HK\$1,973,000), resulting in loss on disposal of HK\$16,476,000 (six months ended 30 June 2014: HK\$12,744,000).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 10. AVAILABLE-FOR-SALE INVESTMENTS

	<b>30 June 2015 HK\$'000 (unaudited)</b>	31 December 2014 HK\$'000 (audited)
Equity shares listed in Taiwan and Hong Kong (note a)	<b>126,115</b>	133,500
Unlisted equity shares, at cost (note b)	<b>10,500</b>	10,500
Less: Impairment loss recognised	<b>(10,500)</b>	(10,500)
	—	—
<b>Total</b>	<b>126,115</b>	133,500

Notes:

- (a) The investments represent equity interests in companies incorporated in Taiwan and Hong Kong with the registered shares listed on the Taiwan Stock Exchange and the Hong Kong Stock Exchange, which are stated at fair value. The fair value of listed equity securities is determined based on quote market bid price available in the relevant stock exchange. During the current interim period, fair value loss of HK\$38,463,000 (six months ended 30 June 2014: fair value gain of HK\$15,317,000) has been recognised.
- (b) The investments represent the unlisted equity shares issued by private entities in Japan. The investments are stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair value cannot be measured reliably. The directors had assessed the future cash flows expected to be generated and an impairment loss was fully provided against the cost as at 30 June 2015 and 31 December 2014.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 11. TRADE AND OTHER RECEIVABLES

The Group allows a credit period ranging from 30 to 90 days to its trade customers. The following is an aged analysis of trade and bills receivables presented based on the invoice date at the end of the reporting period, net of the allowance for doubtful debts, at the reporting date:

	30 June 2015			31 December 2014		
	Trade receivables HK\$'000 (Unaudited)	Bills receivables HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)	Trade receivables HK\$'000 (Audited)	Bills receivables HK\$'000 (Audited)	Total HK\$'000 (Audited)
Within 60 days	3,256,344	140,515	3,396,859	3,268,464	422,552	3,691,016
61 to 90 days	599,732	44,977	644,709	813,008	39,400	852,408
More than 90 days	501,251	68,703	569,954	468,098	36,838	504,936
	<b>4,357,327</b>	<b>254,195</b>	<b>4,611,522</b>	<b>4,549,570</b>	<b>498,790</b>	<b>5,048,360</b>
Other receivables, deposits and prepayments			<b>400,876</b>			<b>529,852</b>
			<b>5,012,398</b>			<b>5,578,212</b>

Included in other receivables are other PRC tax recoverable of HK\$336,946,000 (31 December 2014: HK\$413,391,000).

## 12. NON-CURRENT ASSETS HELD FOR SALE

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Leasehold properties in the PRC held under medium-term leases	<b>859</b>	<b>2,524</b>

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 13. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	30 June 2015			31 December 2014		
	Trade payables HK\$'000 (Unaudited)	Bills payables HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)	Trade payables HK\$'000 (Audited)	Bills payables HK\$'000 (Audited)	Total HK\$'000 (Audited)
Within 60 days	2,940,629	545,281	3,485,910	3,071,867	741,485	3,813,352
61 to 90 days	425,222	174,502	599,724	512,939	112,123	625,062
More than 90 days	217,658	-	217,658	341,545	-	341,545
	<b>3,583,509</b>	<b>719,783</b>	<b>4,303,292</b>	<b>3,926,351</b>	<b>853,608</b>	<b>4,779,959</b>

## 14. BANK AND OTHER BORROWINGS, UNSECURED

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Bank loans	<b>3,395,975</b>	3,712,961
Bills discounted with recourse	-	32,174
Trust receipt loans	<b>1,430,443</b>	1,577,659
Other loans	<b>289,781</b>	114,500
	<b>5,116,199</b>	5,437,294

During the period, the Group obtained new bank loans amounting to HK\$3,397,787,000 (six months ended 30 June 2014: HK\$2,769,710,000). The Group's borrowings are variable-rate borrowings which carry interest at Hong Kong Interbank Offered Rate, London Interbank Offered Rate ("LIBOR") or the People's Bank of China's benchmark rate plus certain basis points. Interest is repriced every three months and the range of effective interest rates is at 0.94% to 6.15% (2014: 0.93% to 6.34%) per annum. The proceeds are used to repay bank borrowings, finance the daily operation and acquisition of property, plant and equipment.

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 15. SHARE CAPITAL

	Number of ordinary shares	Share capital HK\$'000
Ordinary shares of HK\$0.02 each		
Authorised:		
Balance at 1 January 2014, 31 December 2014 and 30 June 2015	5,000,000,000	100,000
Issued and fully paid:		
Balance at 1 January 2014	2,919,593,398	58,392
Share repurchased and cancelled	(12,494,000)	(250)
Balance at 31 December 2014 and 30 June 2015	2,907,099,398	58,142

## 16. CAPITAL COMMITMENTS

	30 June 2015 HK\$'000 (unaudited)	31 December 2014 HK\$'000 (audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of property, plant and equipment	250,100	340,649
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of contribution to an associate	-	575,460

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 17. RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management during the period was as follows:

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Short-term benefits	17,182	7,773
Post-employment benefits	63	60
	<b>17,245</b>	<b>7,833</b>

The remuneration of directors and key executives are determined by the remuneration committee having regard to the performance of individuals and market trends.

## 18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2015

## 18. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

**Fair value of the Group's financial assets that are measured at fair value on a recurring basis (continued)**

Financial assets	Fair value as at		Fair value hierarchy	Valuation technique and key input
	30 June 2015	31 December 2014		
Available-for-sale investments in the condensed consolidated statement of financial position	Listed equity securities in Taiwan and Hong Kong HK\$126,115,000	Listed equity securities in Taiwan HK\$133,500,000	Level 1	Quoted bid prices in an active market

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the condensed consolidated financial statements approximate their fair values.

## 19. CONTINGENT LIABILITIES

During the year ended 31 December 2014, a subsidiary of the Company is a defendant in a legal action in Italy involving the alleged defective goods manufactured by the subsidiary according to its customers' designs and specifications. The claim above against the subsidiary is approximately Euro7.2 million (equivalent to approximately HK\$63 million) in aggregate. The directors believe, based on legal advice, that the case has legal and factual grounds to defend and therefore it is not probable that losses (including claims for costs) will be incurred. As a result, no provision has been made as at 30 June 2015 and 31 December 2014 in this regard.



# MANAGEMENT DISCUSSION AND ANALYSIS

## RESULTS

The Group's revenue for the six months ended 30 June 2015 amounted to approximately HK\$9.52 billion (2014: approximately HK\$9.52 billion). Profit for the period attributable to owners of the Company was approximately HK\$449 million (2014: approximately HK\$503 million).

## BUSINESS REVIEW AND OUTLOOK

Revenue for the first half year was maintained at approximately HK\$9.52 billion (2014: HK\$9.52 billion). The LCD operating segment (including touch panel and integrated touch module) has been continuing to be the Group's core business and main growth driver. However, the revenue performance in the first half year was not up to the management's expectation at the beginning of the year because the Group's major customers were not growth as the managements' expectation during the period. Furthermore, according to a market research institute, Σintell, the shipment quantity in the first half of 2015 of Global smartphone was increased by 11.6%, but it was decreased by 3.4% in China.

Although the Group's revenue has been maintained during the period, but Profit attributable to the Owners of the Company for the period has been decreased by 10.8% from approximately HK\$503 million in 2014 interim period to approximately HK\$449 million in 2015 interim period. It is mainly attributable to smartphone markets' keen competition leading to gross margin of smartphone products dropped.

The management expect that the revenue of Group's LCD and Touch products applied in non-smartphone products market such as automotive and industrial products markets would continue to grow in the second half of 2015 because the Group started to enhance the development of non-smartphone products businesses two years ago. Besides, the Group would start mass production of Fingerprint Recognition Modules and Full Incell Display Modules in the third and fourth quarter of 2015 respectively, they would contribute better gross margin to the Group because these two new products are mainly applied in medium and high price smartphone. Therefore, the management still have confident on the Group's performance in terms of revenue and profits in the second half of 2015.

## LIQUIDITY AND FINANCIAL RESOURCES

The Group's assets and liabilities have been decreased by approximately HK\$615 million and HK\$844 million respectively during the period.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

At the balance sheet date, the outstanding bank and other borrowings, net of fixed deposits and cash and bank balances, were HK\$2,745 million (HK\$1,774 million at 31 December 2014). Among the total gross borrowings of HK\$5,116 million, HK\$3,979 million were repayable within a year with the remaining balances repayable within a period of two to four years.

At the balance sheet date, the Group's contracted capital commitments for the acquisition of property, plant and equipment were approximately HK\$250 million (approximately HK\$341 million at 31 December 2014) and will be financed principally from internal reserves and bank loans. The capital commitment in respect of contribution to the associate as at 31 December 2014 of approximately HK\$575 million has been fully paid during the period.

### PROPOSED SPIN-OFF UPDATE

According to the announcement dated 1 December 2014, Truly Opto-Electronics Limited\* (信利光電股份有限公司) ("Truly Shanwei") may seek an alternative way of listing in the PRC, including but not limited to potentially acquiring interests and injecting assets and businesses in a joint stock limited company listed on a PRC stock exchange.

The Board would like to update Shareholders and potential investors that on 28 July 2015, Truly Industry (Shanwei) Co., Ltd.\* (信利工業(汕尾)有限公司) ("Truly Industry"), an indirect wholly-owned subsidiary of the Company, has entered into a framework agreement with the controlling shareholder of Chongqin New Century Cruise Co., Ltd.\* (重慶新世紀游輪股份有限公司), a company listed on Shenzhen Stock Exchange (the "Target") to acquire its majority of shares by way of issue of new shares of the Target with reference to the new issue price permissible under the relevant rules of the China Securities Regulatory Commission ("CSRC"). In consideration, Truly Shanwei, a direct non-wholly-owned subsidiary of Truly Industry will be disposed from Truly Industry to the Target (the "Proposed Transaction") at a value that will be finally determined through an independent valuation to be carried out by a valuer with appropriate qualification. It is expected that Truly Shanwei will remain as a subsidiary of the Group after completion of the Proposed Transaction. As part of the Proposed Transaction, the parties tentatively agreed that the Target shall carry out a fundraising exercise, which is subject to approval by the shareholders of the Target and the CSRC. As at the date of this announcement, the Company is in the process of negotiating on the detailed terms of the Proposed Transaction and the Proposed Transaction is subject to several conditions precedent, including but not limited to the entering of the definitive transaction agreement(s) and relevant approval by the CSRC, the Ministry of Commerce of the PRC and The Stock Exchange of Hong Kong Limited, if applicable. For detail of the announcement, please refer to the Inside Information announcement dated 28 July 2015.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Further announcements will be made by the Company as and when appropriate in compliance with Listing Rules.

### GENERAL

There are approximately 27,000 workers and employees currently employed in the Group's Shan Wei factory and around 100 staff in our Hong Kong office.

The Group had no material contingent liabilities except for the claim against a subsidiary of the Group for Euro7.2 million in aggregate being disclosed in the 2014 annual report, which no progress have occurred during the period. The directors believe that the case has legal and factual grounds to defend and therefore it is not probable that losses (including claims for costs) will be incurred. As a result, no provision has been made as at 30 June 2015 and 31 December 2014 in this regard.

Exposure to fluctuations in exchange rates has been properly managed. The remuneration policy was in line with current legislation, market conditions and both individual and company performance.

### **INTERIM DIVIDENDS**

The Directors have resolved to pay a second interim dividend of 3 HK cents per share to shareholders whose names appear on the Register of Members on 28 August 2015. Together with the first interim dividend of 2 HK cents per share to be paid on 8 September 2015, the total interim dividends payable were 5 HK cents per share (2014: 7 HK cents). It is expected that the second interim dividend payments will be made to shareholders on 8 December 2015.

### **CLOSURE OF REGISTER OF MEMBERS**

The Register of Members will be closed on 28 August 2015 during which day no transfer of shares can be registered. In order to qualify for the second interim dividend, all transfers accompanied by relevant share certificates must be lodged with the Company's Branch Share Registrar, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 27 August 2015.

## OTHER INFORMATION (continued)

### DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2015, the interests of the directors and their associates in the shares and underlying shares of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance, or otherwise notified to the Company and the Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, were as follows:

#### Long positions

(a) Ordinary shares of HK\$0.02 each of the Company

Name of director	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Lam Wai Wah	Beneficial owner	1,201,422,000	41.33%
	Held by spouse (Note 1)	74,844,000	2.57%
		1,276,266,000	43.90%
Wong Pong Chun, James	Beneficial owner	15,649,000	0.54%
	Held by spouse (Note 2)	1,650,000	0.06%
		17,299,000	0.60%
Cheung Tat Sang	Beneficial owner	6,129,000	0.21%
Li Jian Hua	Beneficial owner	11,451,000	0.39%
	Held by spouse (Note 5)	22,500	0.00%
		11,473,500	0.39%

**DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES**

(continued)

**Long positions (continued)**

(b) Registered capital of the associated corporation of the Company

Truly Opto-Electronics Limited ("Truly Shanwei") (Note 3)

<b>Name of director</b>	<b>Capacity</b>	<b>Registered capital contributed (RMB)</b>	<b>Percentage of paid up registered capital of Truly Shanwei %</b>
Lam Wai Wah	Beneficial owner	647,360	0.1904
Wong Pong Chun, James	Beneficial owner	2,590,120	0.7618
Cheung Tat Sang	Beneficial owner	647,360	0.1904
Li Jian Hua (Note 4)	Interest of corporation controlled by the director	647,360	0.1904

Notes:

- Lam Wai Wah is deemed to be interested in 74,844,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Chung King Yee, Cecilia.
- Wong Pong Chun, James is deemed to be interested in 1,650,000 ordinary shares of the Company, being the interests held beneficially by his spouse, Lai Ching Mui, Stella.
- Truly Opto-Electronics Limited, a company registered in the People's Republic of China, is an indirect non-wholly owned subsidiary of the Company.
- Registered capital contributed through Lhasa Development Zone Jianyuan Investment Management Co., Ltd, a company wholly-owned by him.
- Li Jian Hua is deemed to be interested in 22,500 ordinary shares of the Company, being the interests held beneficially by his spouse, Guo Yu Yan.

Other than as disclosed above, none of the directors nor their associates had any interests or short positions in any shares and underlying shares of the Company or any of its associated corporations as at 30 June 2015.

## OTHER INFORMATION (continued)

### SHARE OPTION SCHEME

During the period under review, the Company has not adopted any share option scheme.

### ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed above under the heading “Directors’ Interests in Shares and Underlying Shares”, at no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2015, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance shows that other than the interests disclosed above in respect of Lam Wai Wah, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company.

#### Long positions

*Ordinary shares of HK\$0.02 each of the Company*

<b>Name of shareholder</b>	<b>Capacity</b>	<b>Number of issued ordinary shares held</b>	<b>Percentage of the issued share capital of the Company</b>
Chan Kin Sun (Note)	Beneficial owner	158,950,000	5.47%
	Held by spouse	54,208,000	1.86%
		<b>213,158,000</b>	<b>7.33%</b>

Note: Chan Kin Sun and his spouse, Cheng Kwan Ying, Jennifer, are deemed to be interested in 213,158,000 shares of the Company.

Other than as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at 30 June 2015.

### **PURCHASE, SALE OR REDEMPTION OF SECURITY**

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2015.

### **MODEL CODE**

None of the Directors of the Company is aware of information that would reasonably indicate that the Company was not in the period under review in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited.

### **AUDIT COMMITTEE**

The Company has an audit committee which was established in accordance with the code provisions of the Corporate Governance Code (the "Code") for the purposes of reviewing and providing supervision over the Group's financial reporting matters and internal controls. The Audit Committee comprises all the three independent non-executive directors namely Mr. Chung Kam Kwong, being the Committee Chairman, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing. Mr. Wong Pong Chun, James, being an executive director is also a member of the Committee and they meet at least four times a year.

### **CORPORATE GOVERNANCE**

We have complied with all the applicable code provisions set out in the "Corporate Governance Code" contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2015, except for major deviations as below:

#### **— Code Provision A.2.1**

The roles of the Chairman and the Chief Executive are not separated and are performed by the same individual, Mr. Lam Wai Wah. The Board will meet regularly to consider major matters affecting the operations of the Company. The Board considers that this structure will not impair the balance of power and authority between the Board and the Company's management and believes that this structure will enable us to make and implement decisions promptly and efficiently.

#### **— Code Provision E.1.2**

The Chairman did not attend the annual general meeting of the Company held on 21 May 2015 due to unexpected important business meeting.



## OTHER INFORMATION (continued)

### PUBLICATIONS OF INTERIM RESULTS AND INTERIM REPORT

This 2015 interim results announcement and this 2015 Interim Report are published on the HKExnews website at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.truly.com.hk](http://www.truly.com.hk).

By Order of the Board

**Lam Wai Wah**

*Chairman*

Hong Kong, 7 August 2015

*As at the date of this report, the Board comprised Mr. Lam Wai Wah, Mr. Wong Pong Chun, James, Mr. Cheung Tat Sang and Mr. Li Jian Hua as executive directors and Mr. Chung Kam Kwong, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing as independent non-executive directors.*