

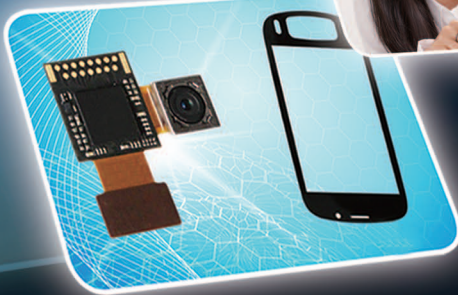


TRULY®

Truly International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 00732



Interim Report **2011**



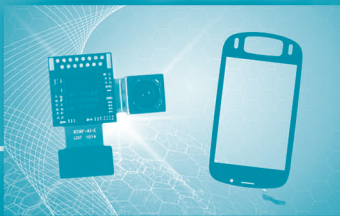
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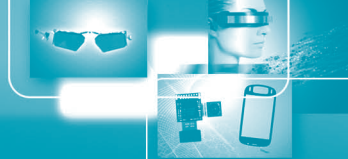
Financial Results

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FINANCIAL HIGHLIGHTS

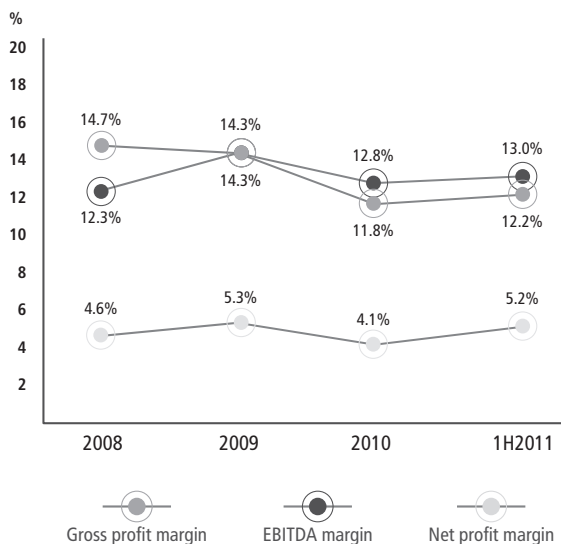


For the six months ended 30 June

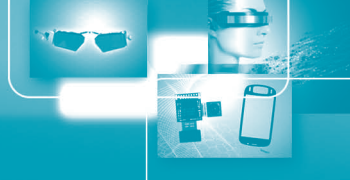
| | 2011 Unaudited HK\$'000 | 2010 Unaudited HK\$'000 | Change % |
|-----------------------|-------------------------------|-------------------------------|-------------|
| Revenue | 4,352,047 | 3,325,141 | +30.9 |
| Gross profit | 529,874 | 425,551 | +24.5 |
| Profit for the period | 224,535 | 202,555 | +10.9 |
| EBITDA | 567,243 | 470,115 | +20.7 |
| Basic EPS (HK cents) | 8.11 | 7.64 <i>(Remark 1)</i> | +6.2 |
| DPS (HK cents) | | | |
| — First Interim | 1 | 0.91 <i>(Remark 1)</i> | |
| — Second Interim | 1 | 1.64 <i>(Remark 1)</i> | |

Remark 1: After the effect of the subdivision of shares and bonus share in January 2011

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



THE CHAIRMAN'S STATEMENT



On behalf of the Board of Truly International Holdings Limited, I am pleased to announce a record breaking first half year revenue for 2011 amounting to approximately HK\$4.35 billion (2010: approximately HK\$3.33 billion) with approximately 30.9% growth when compared to last year same period. As the Group's gross profit margin (12.2%) cannot be improved in a short run, continuing increase in the Group's revenue is important to the growth of the Group in terms of profits and market share.

The Group has increased the purchase of raw material so as to meet the strong growth of demand of the Group's LCD products especially for smart phone related components in the second half of 2011. Therefore, the Group's inventory level has been largely increased during the first half of 2011. However, some controlling measures have been implemented to avoid over inventory since June 2011, we expect the Group's inventory level would be reduced before the end of year 2011.

Although the World's economic environment is uncertain in 2011, we still have confidence on the prospect of smart phone market particularly in China. We expect that the growth in the Group's revenue would be continuing in the second half of 2011 and would also be expected to have a new record again.

Last but not least, I would like to thank our shareholders, business partners, staff and workers for their continuous support to the growth of the Group.

Lam Wai Wah, Steven

Chairman

Hong Kong, 23 August 2011



Deloitte.

德勤

TO THE BOARD OF DIRECTORS OF
TRULY INTERNATIONAL HOLDINGS LIMITED

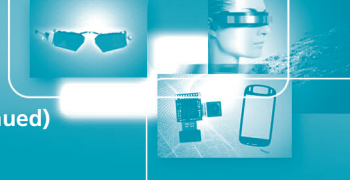
INTRODUCTION

We have reviewed the interim financial information set out on pages 4 to 26, which comprises the condensed consolidated statement of financial position of Truly International Holdings Limited (the "Company") and its subsidiaries as of 30 June 2011 and the related condensed consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION (continued)



CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Without qualifying our review conclusion, we draw attention to the fact that the comparative condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period ended 30 June 2010 and the relevant explanatory notes disclosed in the interim financial information have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity".

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

23 August 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2011

Six months ended 30 June

| | Notes | 2011 HK\$'000 (Unaudited) | 2010 HK\$'000 (Unaudited) |
|--|-------|---------------------------------|---------------------------------|
| REVENUE | 3 | 4,352,047 | 3,325,141 |
| Cost of sales | | (3,822,173) | (2,899,590) |
| Gross profit | | 529,874 | 425,551 |
| Other income | | 23,060 | 9,039 |
| Administrative expenses | | (148,743) | (122,352) |
| Distribution and selling expenses | | (80,600) | (58,143) |
| Finance costs | 4 | (27,737) | (17,540) |
| PROFIT BEFORE TAX | | 295,854 | 236,555 |
| INCOME TAX EXPENSE | 5 | (71,319) | (34,000) |
| PROFIT FOR THE PERIOD | 6 | 224,535 | 202,555 |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | | | |
| Exchange differences arising on translation | | 148,429 | 30,247 |
| Fair value loss on available-for-sale investment | | (21,666) | — |
| | | 126,763 | 30,247 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 351,298 | 232,802 |
| EARNINGS PER SHARE | 8 | | |
| Basic — HK cents | | 8.11 | 7.64 |
| Diluted — HK cents | | 8.11 | 7.64 |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011



| | Notes | 30 June 2011 HK\$'000 (Unaudited) | 31 December 2010 HK\$'000 (Audited) |
|---|-------|--|--|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | 4,521,145 | 4,228,878 |
| Prepaid lease payments | | 154,836 | 153,895 |
| Intangible assets | | 2,858 | 5,710 |
| Goodwill | | 413 | 413 |
| Available-for-sale investment | 10 | 134,176 | — |
| Deferred tax assets | | 8,637 | 8,451 |
| Deposits paid for acquisition of property, plant and equipment | | 47,811 | 32,613 |
| | | 4,869,876 | 4,429,960 |
| CURRENT ASSETS | | | |
| Inventories | | 1,214,333 | 748,872 |
| Prepaid lease payments | | 3,886 | 3,730 |
| Trade and other receivables | 11 | 2,060,904 | 1,853,826 |
| Tax recoverable | | 12,148 | 12,148 |
| Bank balances and cash | | 758,792 | 851,945 |
| | | 4,050,063 | 3,470,521 |
| Non-current assets held for sale | 12 | 10,842 | 14,535 |
| | | 4,060,905 | 3,485,056 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | 1,481,268 | 1,566,786 |
| Tax liabilities | | 120,394 | 97,165 |
| Derivative financial instruments | | — | 1,746 |
| Bank and other borrowings, unsecured | 14 | 2,425,423 | 1,653,287 |
| | | 4,027,085 | 3,318,984 |
| NET CURRENT ASSETS | | | |
| | | 33,820 | 166,072 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| | | 4,903,696 | 4,596,032 |
| NON-CURRENT LIABILITIES | | | |
| Bank and other borrowings, unsecured | 14 | 621,571 | 610,185 |
| Deferred tax liabilities | | 35,760 | 35,442 |
| | | 657,331 | 645,627 |
| | | 4,246,365 | 3,950,405 |
| CAPITAL AND RESERVES | | | |
| Share capital | 15 | 55,361 | 50,327 |
| Share premium and reserves | | 4,191,004 | 3,900,078 |
| Total equity | | 4,246,365 | 3,950,405 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011



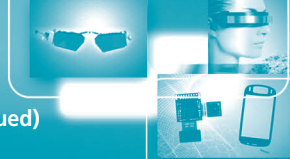
| | Share capital HK\$'000 | Share premium HK\$'000 | Share options reserve HK\$'000 | Special reserve HK\$'000 (note a) |
|---|---------------------------|---------------------------|-----------------------------------|---|
| At 1 January 2010 (Audited) | 47,294 | 320,039 | 10,000 | 990 |
| Profit for the period | — | — | — | — |
| Other comprehensive income for the period | | | | |
| — Exchange differences arising on translation of foreign operations | — | — | — | — |
| Total comprehensive income for the period | — | — | — | — |
| Place of new shares | 3,000 | 240,000 | — | — |
| Expenses incurred in relation to the place of new shares | — | (6,563) | — | — |
| Issue of shares upon exercise of share options | 28 | 559 | — | — |
| Dividend recognised as distribution (note 7) | — | — | — | — |
| At 30 June 2010 (Unaudited) | 50,322 | 554,035 | 10,000 | 990 |
| Profit for the period | — | — | — | — |
| Other comprehensive income for the period | | | | |
| — Exchange differences arising on translation of foreign operations | — | — | — | — |
| Total comprehensive income for the period | — | — | — | — |
| Issue of shares upon exercise of share options | 5 | 133 | — | — |
| Transfer | — | — | — | — |
| Dividend recognised as distribution | — | — | — | — |
| Liquidation of a subsidiary | — | — | — | — |
| At 31 December 2010 (Audited) | 50,327 | 554,168 | 10,000 | 990 |
| Profit for the period | — | — | — | — |
| Other comprehensive income for the period | | | | |
| — Exchange differences arising on translation of foreign operations | — | — | — | — |
| — Fair value loss on available-for-sale investment | — | — | — | — |
| Other comprehensive income for the period | — | — | — | — |
| Total comprehensive income for the period | — | — | — | — |
| Issue of shares upon exercise of share options | 1 | 21 | — | — |
| Bonus issue of shares | 5,033 | (5,033) | — | — |
| Dividend recognised as distribution (note 7) | — | — | — | — |
| At 30 June 2011 (Unaudited) | 55,361 | 549,156 | 10,000 | 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 the statutory surplus reserve and the enterprise expansion reserve of the subsidiaries established in the People's Republic of China other than Hong Kong (the "PRC"). According to the Articles of Association of the PRC subsidiaries, a percentage of net profit as reported in the PRC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2011

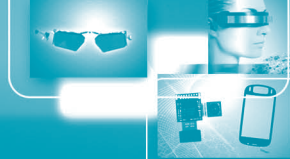


| Capital redemption reserve HK\$'000 | Exchange reserve HK\$'000 | Other reserves HK\$'000 (note b) | Investment revaluation reserve HK\$'000 | Retained profits HK\$'000 | Total equity attributable to owners of the Company HK\$'000 | Non-controlling interest HK\$'000 | Total HK\$'000 |
|--|------------------------------|--|--|------------------------------|--|--------------------------------------|-------------------|
| 82 | 520,223 | 474,197 | — | 2,111,167 | 3,483,992 | 62 | 3,484,054 |
| — | — | — | — | 202,555 | 202,555 | — | 202,555 |
| — | 30,247 | — | — | — | 30,247 | — | 30,247 |
| — | 30,247 | — | — | 202,555 | 232,802 | — | 232,802 |
| — | — | — | — | — | 243,000 | — | 243,000 |
| — | — | — | — | — | (6,563) | — | (6,563) |
| — | — | — | — | — | 587 | — | 587 |
| — | — | — | — | (75,479) | (75,479) | — | (75,479) |
| 82 | 550,470 | 474,197 | — | 2,238,243 | 3,878,339 | 62 | 3,878,401 |
| — | — | — | — | 112,401 | 112,401 | — | 112,401 |
| — | 45,083 | — | — | — | 45,083 | — | 45,083 |
| — | 45,083 | — | — | 112,401 | 157,484 | — | 157,484 |
| — | — | — | — | — | 138 | — | 138 |
| — | — | 38,578 | — | (38,578) | — | — | — |
| — | — | — | — | (85,556) | (85,556) | — | (85,556) |
| — | — | — | — | — | — | (62) | (62) |
| 82 | 595,553 | 512,775 | — | 2,226,510 | 3,950,405 | — | 3,950,405 |
| — | — | — | — | 224,535 | 224,535 | — | 224,535 |
| — | 148,429 | — | — | — | 148,429 | — | 148,429 |
| — | — | — | (21,666) | — | (21,666) | — | (21,666) |
| — | 148,429 | — | (21,666) | — | 126,763 | — | 126,763 |
| — | 148,429 | — | (21,666) | 224,535 | 351,298 | — | 351,298 |
| — | — | — | — | — | 22 | — | 22 |
| — | — | — | — | — | — | — | — |
| — | — | — | — | (55,360) | (55,360) | — | (55,360) |
| 82 | 743,982 | 512,775 | (21,666) | 2,395,685 | 4,246,365 | — | 4,246,365 |

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.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

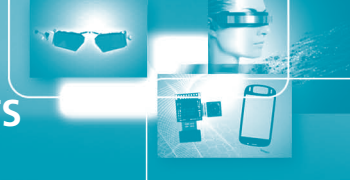
For the six months ended 30 June 2011



| | Six months ended 30 June | |
|--|---------------------------------|-------------|
| | 2011 | 2010 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| NET CASH (USED IN) FROM OPERATING ACTIVITIES | | |
| Operating cash flows before movements in working capital | (215,698) | 201,622 |
| NET CASH USED IN INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (405,197) | (172,798) |
| Acquisition of available-for-sale investment | (155,842) | — |
| Other investing cash flows | (35,229) | 36,491 |
| | (596,268) | (136,307) |
| NET CASH FROM (USED IN) FINANCING ACTIVITIES | | |
| Repayment of bank and other borrowings | (1,572,620) | (1,396,051) |
| Dividends paid | (67,922) | — |
| New bank and other borrowings raised | 2,355,931 | 1,150,588 |
| Proceeds from placement of new shares | — | 243,000 |
| Other financing cash flows | (13,257) | (22,924) |
| | 702,132 | (25,387) |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (109,834) | 39,928 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD | 851,945 | 503,086 |
| EFFECT OF FOREIGN EXCHANGE RATE CHANGES | 16,681 | 2,172 |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash | 758,792 | 545,186 |

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2011



1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance 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") and with Hong Kong Accounting Standard 34 (HKAS 34), *Interim Financial Reporting*.

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 fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2011 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2010 except as described below. In addition, the Group applied the following accounting policies for its available-for-sale investment.

Available-for-sale financial assets (fair value can be measured reliably)

Available-for-sale financial assets are measured at fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in investment revaluation reserve, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



2. PRINCIPAL ACCOUNTING POLICIES (continued)

Impairment losses on available-for-sale equity investments will not be reversed in profit or loss in subsequent periods. Any increase in fair value subsequent to impairment loss is recognised directly in other comprehensive income and accumulated in investment revaluation reserve.

In the current interim period, the Group has applied, for the first time, a number of new or revised standards and interpretations (“new or revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are effective for the Group’s financial period beginning on 1 January 2011. The application of these HKFRSs has had no material effect on the amounts reported and disclosures set out in the condensed consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied new or revised standards that have been issued but are not yet effective. The following new or revised standards have been issued after the date the consolidated financial statements for the year ended 31 December 2010 were authorised for issuance and are not yet effective:

| | |
|------------------------|--|
| HKFRS 10 | Consolidated Financial Statements ¹ |
| HKFRS 11 | Joint Arrangements ¹ |
| HKFRS 12 | Disclosure of Interests in Other Entities ¹ |
| HKFRS 13 | Fair Value Measurement ¹ |
| HKAS 1 (Amendments) | Presentation of Items of Other Comprehensive Income ² |
| HKAS 19 (Revised 2011) | Employee Benefits ¹ |
| HKAS 27 (Revised 2011) | Separate Financial Statements ¹ |
| HKAS 28 (Revised 2011) | Investments in Associates and Joint Ventures ¹ |

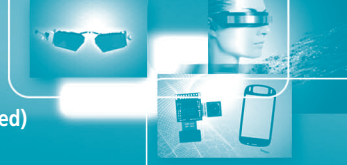
¹ Effective for annual periods beginning on or after 1 January 2013

² Effective for annual periods beginning on or after 1 July 2012

The directors of the Company anticipate that the application of these new or revised standards will have no material impact on the results and the financial position of the Group.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



3. SEGMENT INFORMATION

Information reported to the Board of Directors of the Company, being the chief operating decision maker, 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 products |
| Electronic consumer products | — | manufacture and distribution of electronic consumer products such as personal health care products and electrical devices. |

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 2011 (Unaudited)

| | LCD products HK\$'000 | Electronic consumer products HK\$'000 | Segment total HK\$'000 | Eliminations HK\$'000 | Consolidated HK\$'000 |
|----------------------|--------------------------|--|---------------------------|--------------------------|--------------------------|
| REVENUE | | | | | |
| External sales | 4,022,116 | 329,931 | 4,352,047 | — | 4,352,047 |
| Inter-segment sales | — | 257,044 | 257,044 | (257,044) | — |
| | 4,022,116 | 586,975 | 4,609,091 | (257,044) | 4,352,047 |
| RESULT | | | | | |
| Segment result | 245,036 | 95,381 | 340,417 | (29,048) | 311,369 |
| Unallocated expenses | | | | | (15,515) |
| Profit before tax | | | | | 295,854 |

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



3. SEGMENT INFORMATION (continued)

Segment revenues and results (continued)

Six months ended 30 June 2010 (Unaudited)

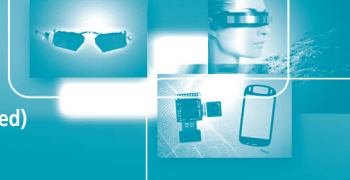
| | LCD products HK\$'000 | Electronic consumer products HK\$'000 | Segment total HK\$'000 | Eliminations HK\$'000 | Consolidated HK\$'000 |
|----------------------|-----------------------------|--|------------------------------|--------------------------|--------------------------|
| REVENUE | | | | | |
| External sales | 3,138,808 | 186,333 | 3,325,141 | — | 3,325,141 |
| Inter-segment sales | — | 64,034 | 64,034 | (64,034) | — |
| | 3,138,808 | 250,367 | 3,389,175 | (64,034) | 3,325,141 |
| RESULT | | | | | |
| Segment result | 240,041 | 17,895 | 257,936 | (3,645) | 254,291 |
| Unallocated expenses | | | | | (17,736) |
| Profit before tax | | | | | 236,555 |

4. FINANCE COSTS

| | Six months ended 30 June | |
|--|---------------------------------|-------------|
| | 2011 | 2010 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Interest on bank and other borrowings wholly repayable within five years | 27,737 | 17,540 |

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



5. INCOME TAX EXPENSE

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

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, one of the Company's PRC subsidiaries is classified as an advanced technology entity and entitled to 15% PRC enterprise income tax for the three years 2009 to 2011.

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 is subject to PRC withholding tax at the applicable tax rate of 5%.

In the prior years, the Hong Kong Inland Revenue Department ("IRD") issued profits tax assessments in respect of the disallowance of offshore profit claims in aggregate of approximately HK\$55,000,000 against a wholly-owned subsidiary of the Company for the years of assessment 2001/2002 to 2005/2006. The Group lodged objections with the IRD and the IRD previously agreed to defer payment of the tax claimed completely subject to the subsidiary in question purchasing tax reserve certificates for those years of assessment. The tax reserve certificates amounting to HK\$32,402,000 were purchased by the relevant subsidiary in prior years.

The Group received a notice of determination from the IRD dated 10 March 2011 for additional profits tax assessments amounting to HK\$135,889,000 in respect of the disallowance of offshore profit claims HK\$55,000,000 together with the non-deduction of management fees, prescribed fixed assets and statutory depreciation allowance amounting to HK\$80,889,000 for the years of assessment 2001/2002 to 2005/2006. The Group has lodged an appeal (the "Tax Appeal") to the Board of Review as the Group believes that there are reasonable grounds to substantiate the claims.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



5. INCOME TAX EXPENSE (continued)

Based on professional advice and recent court rulings of relevant precedent cases related to offshore profit claims, the Group has made a provisions of HK\$55,000,000 equivalent to the amount of tax dispute in relation to the offshore profit claims as at 31 December 2010 and at 30 June 2011, which represented the Company's directors' present best estimate of the potential tax liability. In respect of the unprovided additional tax assessments, the directors are of the opinion that the Group has reasonable ground to claim for the deduction and accordingly they believe that there was no material underprovision of tax liabilities as at 30 June 2011.

6. PROFIT FOR THE PERIOD

| | Six months ended 30 June | |
|---|---------------------------------|---------------------------------|
| | 2011 HK\$'000 (Unaudited) | 2010 HK\$'000 (Unaudited) |
| Profit for the period has been arrived at after charging (crediting): | | |
| Auditor's remuneration | 1,600 | 1,300 |
| Cost of inventories expensed | 3,269,024 | 2,506,196 |
| Depreciation and amortisation on: | | |
| Property, plant and equipment | 240,800 | 213,019 |
| Technical know-how included in cost of sales | 2,833 | 2,980 |
| Trademarks included in cost of sales | 19 | 21 |
| | 243,652 | 216,020 |
| Operating lease rental in respect of rented premises | 3,035 | 1,951 |
| Release of prepaid lease payments | 1,951 | 1,880 |
| Staff costs, inclusive of directors' remuneration | 440,960 | 258,817 |

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



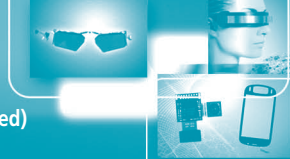
7. DIVIDENDS

| | Six months ended 30 June | |
|--|---------------------------------|---------------------------------|
| | 2011 HK\$'000 (Unaudited) | 2010 HK\$'000 (Unaudited) |
| Dividend recognised as distribution during the period: | | |
| 2010 final dividend of 1 HK cent (2009 final dividend of 1.8 HK cents) per share <i>(Remark 1)</i> | 27,680 | 50,318 |
| 2011 interim dividend of 1 HK cent (2010 interim dividend of 0.9 HK cents) per share <i>(Remark 1)</i> | 27,680 | 25,161 |
| | 55,360 | 75,479 |

Remark 1: 2009 final dividend per share and 2010 interim dividend per share have been adjusted for the bonus issued and share sub-division that have been approved by shareholders at the extraordinary general meeting held on 19 January 2011.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



8. EARNINGS PER SHARE

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

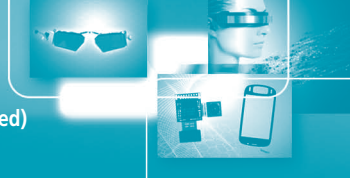
| Earnings | Six months ended 30 June | |
|---|---------------------------------|---------------------------------|
| | 2011 HK\$'000 (Unaudited) | 2010 HK\$'000 (Unaudited) |
| Earnings for the purposes of basic and diluted earnings per share | 224,535 | 202,555 |
| Number of shares | 2011 '000 | 2010 '000 |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 2,768,006 | 2,649,642 |
| Effect of dilutive potential ordinary shares: Share options issued by Company | 2,434 | 4,345 |
| Weighted average number of ordinary shares for the purposes of diluted earnings per share | 2,770,440 | 2,653,987 |

(Remark 1)

Remark 1: The weighted average number of ordinary shares for the purpose of basic earning per share has been adjusted for the bonus issued and share sub-division that have been approved by shareholders at the extraordinary general meeting held on 19 January 2011.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired certain property, plant and equipment amounting to HK\$405,197,000 (six months ended 30.6.2010: HK\$172,798,000).

During the period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK\$4,740,000 (six months ended 30.6.2010: Nil) for a cash consideration of HK\$2,026,000 (six months ended 30.6.2010: Nil), resulting in loss on disposal of HK\$2,714,000 (six months ended 30.6.2010: Nil).

10. AVAILABLE-FOR-SALE INVESTMENT

The available-for-sale investment at 30 June 2011 represents approximately 2% equity interest in a company incorporated in the Republic of China (Taiwan) with the registered shares listed on the Taiwan Stock Exchange, which are stated at fair value.

The fair value of listed equity securities is determined based on the quoted market bid prices available on the relevant stock exchange.

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 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 2011 HK\$'000 (Unaudited) | 31 December 2010 HK\$'000 (Audited) |
|--|--|--|
| Within 60 days | 1,482,529 | 1,503,764 |
| 61 to 90 days | 168,724 | 44,105 |
| More than 90 days | 39,370 | 30,686 |
| Other receivables, deposits and prepayment | 1,690,623 370,281 | 1,578,555 275,271 |
| | 2,060,904 | 1,853,826 |

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



11. TRADE AND OTHER RECEIVABLES (continued)

Included in the other receivables are purchase discounts from suppliers with aggregate carrying amount of HK\$76,679,000 (31.12.2010: HK\$126,197,000) and other PRC tax recoverable of HK\$193,548,000 (31.12.2010: HK\$82,720,000).

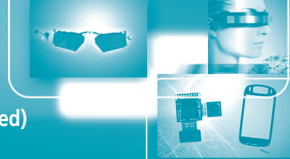
12. NON-CURRENT ASSETS HELD FOR SALE

| | 30 June 2011 HK\$'000 (Unaudited) | 31 December 2010 HK\$'000 (Audited) |
|---|--|--|
| Leasehold properties in the PRC held under medium-term leases | 10,842 | 14,535 |

In the prior year, the directors of the Company approved the disposal of certain properties which were previously developed as staff quarters. Leasehold properties with a carrying amount of HK\$63,411,000 were reclassified from prepaid lease payment and property, plant and equipment during the year ended 31 December 2010, of which HK\$3,994,000 (2010: HK\$48,876,000) was sold during the period for consideration of HK\$8,717,000 (2010: HK\$69,218,000). The net profit generated from disposal after deducting the related taxes, was approximately HK\$3,546,000 (2010: HK\$13,029,000) and was recognised in profit for the period/year.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



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 2011 HK\$'000 (Unaudited) | 31 December 2010 HK\$'000 (Audited) |
|-------------------|--|--|
| Within 60 days | 736,607 | 766,965 |
| 61 to 90 days | 220,017 | 168,368 |
| More than 90 days | 24,795 | 64,905 |
| | 981,419 | 1,000,238 |

14. BANK AND OTHER BORROWINGS, UNSECURED

| | 30 June 2011 HK\$'000 (Unaudited) | 31 December 2010 HK\$'000 (Audited) |
|---------------------|--|--|
| Bank loans | 1,469,447 | 1,409,067 |
| Trust receipt loans | 1,518,488 | 827,936 |
| Other loans | 59,059 | 26,469 |
| | 3,046,994 | 2,263,472 |

During the period, the Group obtained new bank loans amounting to HK\$2,355,931,000 (six month ended 30 June 2010: HK\$1,150,588,000). The Group's borrowings are variable-rate borrowings which carry interest at Hong Kong Interbank Offered Rate or London Interbank Offered Rate plus certain basis points. Interest is repriced every three months and the range of effective interest rates is 1.01% to 3.25% (2010: 1.02% to 2.93%) per annum. The proceeds are used to finance the daily operation and acquisition of property, plant and equipment.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



15. SHARE CAPITAL

| | Number of ordinary shares | | Share capital HK\$'000 |
|---|---------------------------|--------------------------|---------------------------|
| | at HK\$0.02 per share | at HK\$0.10 per share | |
| Ordinary shares of HK\$0.02 each (2010: HK\$0.1 each) | | | |
| Authorised: | | | |
| Balance at 1 January 2010 and 31 December 2010 | — | 650,000,000 | 65,000 |
| Increase | — | 350,000,000 | 35,000 |
| Effect of share sub-division (note b) | 5,000,000,000 | (1,000,000,000) | — |
| Balance at 30 June 2011 | 5,000,000,000 | — | 100,000 |
| Issued and fully paid: | | | |
| Balance at 1 January 2010 | — | 472,939,527 | 47,294 |
| Issue of new shares pursuant to a subscription agreement | — | 30,000,000 | 3,000 |
| Exercise of share options | — | 330,000 | 33 |
| Balance at 31 December 2010 | — | 503,269,527 | 50,327 |
| Effect of share sub-division (note b) | 2,516,347,635 | (503,269,527) | — |
| Issue of ordinary shares upon bonus Issue (note c) | 251,634,763 | — | 5,033 |
| Exercise of share options | 55,000 | — | 1 |
| Balance at 30 June 2011 | 2,768,037,398 | — | 55,361 |

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



15. SHARE CAPITAL (continued)

Notes: On 19 January 2011, an ordinary resolution was passed by the shareholders at an extraordinary general meeting of the Company pursuant to which:

- (a) the authorised share capital of the Company was increased from HK\$65,000,000 to HK\$100,000,000;
- (b) each of the existing issued and unissued share capital of the Company of HK\$0.10 per share was subdivided into five shares of HK\$0.02 each;
- (c) the issued share capital was increased by way of bonus issue on the basis of one bonus share for every ten shares.

Details of the increase in authorised share capital, share sub-division and bonus issue are disclosed in the public announcement of Truly International Holdings Limited dated 30 November 2010.

16. SHARE OPTION SCHEMES

The Company has two share option schemes for eligible employees of the Group. Details of the share options outstanding during the current period are as follows:

(i) Old Scheme

The following table disclosed details of the Company's share option held by the employee (including director):

| Date of grant | Exercisable period | Number of option | | | | | Outstanding at 30.6.2011 |
|---------------|------------------------|-------------------------|--|--------------------------------------|----------------------------|--------------------------|--------------------------|
| | | Outstanding at 1.1.2011 | Adjustment in respect of share subdivision | Adjustment in respect of bonus issue | Exercise during the period | Lapsed during the period | |
| 16 July 2001 | 17.7.2001 to 21.5.2011 | 15,000 | 60,000 | 7,500 | (55,000) | (27,500) | — |

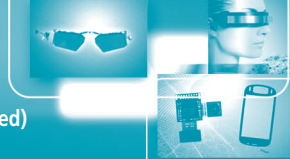
Directors:

As a result of bonus issue and share sub-division of the Company in January 2011, the number of share options and the exercise prices have also been adjusted in accordance with the requirements of Rule 17.03(13) of the Listing Rules and the supplementary guidance issued by the Stock Exchange of Hong Kong Limited. The adjusted exercise price and number of share issuable of the options granted are as follows:

| Date of grant | Adjusted exercise price | Adjusted number of share issuable |
|---------------|-------------------------|-----------------------------------|
| 16 July 2001 | 0.3993 | 82,500 |

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



16. SHARE OPTION SCHEMES (continued)

(ii) New Scheme

The following table discloses details of the Company's share options held by the employees (including directors):

| Date of grant | Exercisable period | Outstanding at 1.1.2011 | Number of options | | Outstanding at 30.6.2011 |
|-------------------|-------------------------|-------------------------|--|--------------------------------------|--------------------------|
| | | | Adjustment in respect of share subdivision | Adjustment in respect of bonus issue | |
| <i>Directors:</i> | | | | | |
| 26 February 2004 | 27.2.2004 to 21.12.2013 | 17,350,000 | 69,400,000 | 8,675,000 | 95,425,000 |
| 15 June 2006 | 16.6.2006 to 21.12.2013 | 9,000,000 | 36,000,000 | 4,500,000 | 49,500,000 |
| | | 26,350,000 | 105,400,000 | 13,175,000 | 144,925,000 |
| <i>Employees:</i> | | | | | |
| 26 February 2004 | 27.2.2004 to 21.12.2013 | 25,625,000 | 102,500,000 | 12,812,500 | 140,937,500 |
| 15 June 2006 | 16.6.2006 to 21.12.2013 | 4,500,000 | 18,000,000 | 2,250,000 | 24,750,000 |
| | | 30,125,000 | 120,500,000 | 15,062,500 | 165,687,500 |
| | | 56,475,000 | 225,900,000 | 28,237,500 | 310,612,500 |

No share options were granted, exercised and lapsed during the period ended 30 June 2011.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011



16. SHARE OPTION SCHEMES (continued)

(ii) New Scheme (continued)

As a result of bonus issue and share sub-division of the Company in January 2011, the number of share options and the exercise prices have also been adjusted in accordance with the requirements of Rule 17.03(13) of the Listing Rules and the supplementary guidance issued by the Stock Exchange of Hong Kong Limited. The adjusted exercise price and number of share issuable of the options granted are as follows:

| Date of grant | Adjusted exercise price | Adjusted number of share issuable |
|------------------|-------------------------|-----------------------------------|
| 26 February 2004 | 2.109 | 236,362,500 |
| 15 June 2006 | 1.742 | 74,250,000 |

17. CAPITAL COMMITMENTS

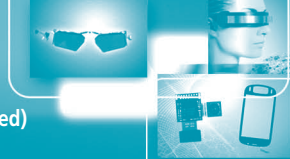
| | 30 June 2011 HK\$'000 (Unaudited) | 31 December 2010 HK\$'000 (Audited) |
|---|--|---|
| Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of plant and equipment | 180,150 | 47,486 |
| Capital expenditure authorised but not contracted for in respect of acquisition of available-for-sale investments and plant and equipment | 180,000 | 155,337 |

18. CONTINGENT LIABILITIES

Apart from those potential tax liabilities disclosed in note 5, the Group has no contingent liabilities at the end of the reporting period.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2011

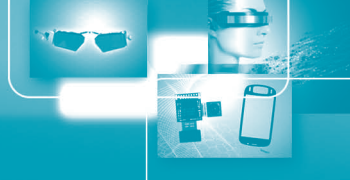


19. RELATED PARTY TRANSACTIONS

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

| | Six months ended 30 June | |
|--------------------------|--------------------------|-------------|
| | 2011 | 2010 |
| | HK\$'000 | HK\$'000 |
| | (Unaudited) | (Unaudited) |
| Short-term benefits | 14,695 | 15,291 |
| Post-employment benefits | 50 | 66 |
| | 14,745 | 15,357 |

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



RESULTS

The Group's turnover for the six months ended 30 June 2011 amounted to approximately HK\$4.35 billion (2010: approximately HK\$3.33 billion). Profit for the period was approximately HK\$225 million (2010: approximately HK\$203 million).

BUSINESS REVIEW AND OUTLOOK

Revenue for the first half year was up by more than 30% to around HK\$4.35 billion (2010: HK\$3.33 billion). During the period, LCD business accounted for more than 92% of the Group's turnover. The sales mix was with TFT products accounting for 54%, CSTN representing 10%, mono TN, STN and others together of 36%. The LCD operating segment will continue to be the Group's core business and main growth driver. High growth of automotive display sales and capacitive touch panel sales are representative examples of the Group in this interim period and we expect a booming growth of these two types of businesses in the fourth quarter of 2011.

To support the huge revenue growth, new heavy investments are required especially in the acquisitions of production facilities, inventories and the increment in manufacturing costs, causing the Group's bank loans increased. Production planning and marketing teams continue closely integrated to work out the best costing structure to achieve the optimal operating and financial results for the Group on one hand and improve the cash flows for the Group's sustainable growth on the other.

The continuance of inflation in China in 2011 leads to the increase in the Group's wages in China. It is one of the reasons that the Group's gross profit margin cannot be improved in this interim period. By the investment in the Group's production facilities approximately HK\$405 million in this period, we believe that the Group's production efficiency can be enhanced so as to improve the Group's gross profit margin in 2012.

Besides a well established long-term relationship with existing key customers, the Group has started new business with other major brand-names in the China market place since the fourth quarter of year 2010. Therefore, the huge growth of the Group's revenue could be sustained.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's assets including property, plant and equipment, available for sale investment and inventory have been increased by approximately HK\$1 billion during the period, which were financed by the group's internal reserves and bank loans.



LIQUIDITY AND FINANCIAL RESOURCES (continued)

At the balance sheet date, the outstanding bank and other borrowings, net of cash and bank balances, were HK\$2,288 million (HK\$1,412 million at 31 December 2010). Among the total gross borrowings of HK\$3,047 million, HK\$2,425 million were repayable within a year with the remaining balances repayable within a period of two to three years.

Capital expenditure of approximately HK\$180 million for the next three years in respect of acquisition of property, plant and equipment was authorized but not contracted for, and will be financed principally from internal reserves.

GENERAL

On 19 January 2011, an ordinary resolution was passed at the Extraordinary General Meeting of the Company to subdivide each existing issued and unissued share of HK\$0.10 each into 5 shares of HK\$0.02 each. The share subdivision is effective on 20 January 2011.

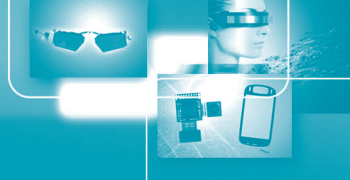
The share capital of the Company was increased by approximately HK\$5,034,000 by the issue of 251,634,763 bonus ordinary shares after subdivision and the exercise of 55,000 staff options during the period after the share subdivision and bonus ordinary shares. The state of the Group's current order books is very good.

Except for investments in subsidiaries and investment in HannStar Display Corporation (HannStar) which is listed in Taiwan Stock Exchange, neither the Group nor the Company had held any material investments during the six months ended 30 June 2011. The details of the investment in HannStar are described in the Company's discloseable transaction announcement on 19 January 2011.

There were no material acquisitions and disposals of subsidiaries and associated companies in the course of the financial period.

There are approximately 18,000 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. Exposure to fluctuations in exchange rates has been properly managed.



INTERIM DIVIDENDS

The Directors have resolved to pay a second interim dividend of 1 HK cent per share to shareholders whose names appear on the Register of Members on 18 October 2011. Together with the first interim dividend of 1 HK cent per share paid on 11 July 2011, the total interim dividends paid and payable were 2 HK cents per share (2010: 2.55 HK cents with the effect of subdivision of ordinary share and bonus share in January 2011). It is expected that the second interim dividend payments will be made to shareholders on 11 November 2011.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 14 October 2011 to 18 October 2011, both dates inclusive, during which period 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 Registrars, Tricor Secretaries Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 13 October 2011.



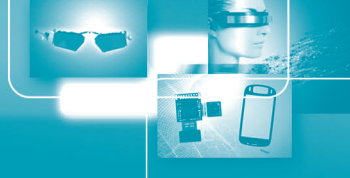
DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2011, 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, Steven | Beneficial owner | 1,154,422,000 | 41.71% |
| | Held by spouse (Note 1) | 74,844,000 | 2.70% |
| | | 1,229,266,000 | 44.41% |
| Wong Pong Chun, James | Beneficial owner | 43,835,000 | 1.58% |
| | Held by spouse (Note 2) | 1,650,000 | 0.06% |
| | | 45,485,000 | 1.64% |
| Cheung Tat Sang, James | Beneficial owner | 3,949,000 | 0.14% |
| Li Jian Hua | Beneficial owner | 9,230,000 | 0.33% |



DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES (continued)

Long positions (continued)

(b) *Share options*

| Name of director | Capacity | Number of options held | Number of underlying shares |
|------------------------|----------------------------|------------------------|-----------------------------|
| Lam Wai Wah, Steven | Beneficial owner | — | — |
| Wong Pong Chun, James | Beneficial owner | 48,950,000 | 48,950,000 |
| Cheung Tat Sang, James | Beneficial owner | 48,950,000 | 48,950,000 |
| Li Jian Hua | Beneficial owner | 22,825,000 | 22,825,000 |
| | Held by spouse (Note 3) | 24,200,000 | 24,200,000 |
| | | 144,925,000 | 144,925,000 |

Notes:

1. Lam Wai Wah, Steven 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.
2. 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.
3. Li Jian Hua is deemed to be interested in 24,200,000 share options 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 2011.



SHARE OPTIONS

Details of the share options outstanding as at 30 June 2011 which have been granted under share option schemes adopted respectively on 22 May 2001, 22 December 2003 and 15 June 2006 were as follows:

| Name | Capacity | Number of options | | | | |
|---------------------------------|-------------------------------------|--------------------------|---|---|----------------------------------|-----------------------------|
| | | Outstanding at 1.1.11 | Adjustment in respect of share subdivision | Adjustment in respect of bonus issue | Exercised/ lapsed (Note 1) | Outstanding at 30.6.2011 |
| Lam Wai Wah, Steven (Note 2) | Director/Substantial shareholder | — | — | — | — | — |
| Wong Pong Chun, James | Director | 8,900,000 | 35,600,000 | 4,450,000 | — | 48,950,000 |
| Cheung Tat Sang, James | Director | 8,915,000 | 35,660,000 | 4,457,500 | (82,500) | 48,950,000 |
| Li Jian Hua | Director | 4,150,000 | 16,600,000 | 2,075,000 | — | 22,825,000 |
| Guo Yu Yan | Spouse of Director | 4,400,000 | 17,600,000 | 2,200,000 | — | 24,200,000 |
| | | 26,365,000 | 105,460,000 | 13,182,500 | (82,500) | 144,925,000 |
| Others | Employees | 30,125,000 | 120,500,000 | 15,062,500 | — | 165,687,500 |
| | | 56,490,000 | 225,960,000 | 28,245,000 | (82,500) | 310,612,500 |

Notes:

- 55,000 share options were exercised and 27,500 share options lapsed during the six months ended 30 June 2011 under the old share option scheme adopted on 22 May 2001 at an exercise price of HK\$0.3993.
- Other than the share options previously held by Lam Wai Wah, Steven, no share option has been granted to other substantial shareholders.

Other than as disclosed above, no other share option was granted, cancelled, lapsed or exercised under the share option schemes of the Company during the period.

ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

Other than the share option schemes disclosed above, 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 2011, 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, Steven, 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

| Name of shareholder | Capacity | Number of issued ordinary shares held | Percentage of the issued share capital of the Company |
|---------------------|------------------|---------------------------------------|---|
| Chan Kin Sun (Note) | Beneficial owner | 158,950,000 | 5.74% |
| | Held by spouse | 54,208,000 | 1.96% |
| | | 213,158,000 | 7.70% |

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 2011.

PURCHASE, SALE OR REDEMPTION OF SECURITY

No purchase, sale or redemption was made by the Company or its subsidiaries of the Company's listed securities during the period.

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.

REMUNERATION AND NOMINATION COMMITTEES

The Company has a remuneration and nomination committee separately which were established in accordance with the relevant requirements of the Code. The two Committees are chaired by Mr. Chung Kam Kwong, an independent non-executive director and comprise three other members namely Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, being independent non-executive directors and Mr. Wong Pong Chun, James, being an executive director of the Company.

CORPORATE GOVERNANCE

We have complied with all the applicable code provisions set out in the Code on Corporate Governance Practices in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2011, except for a major deviation 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, Steven. 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.

PUBLICATIONS OF INTERIM RESULTS AND INTERIM REPORT

The interim results announcement and this 2011 Interim Report are published on the HKExnews website at www.hkexnews.hk and that of the Company at www.truly.com.hk.

By Order of the Board
Lam Wai Wah, Steven
Chairman

Hong Kong, 23 August 2011

As at the date of this report, the Board comprised Mr. Lam Wai Wah, Steven, Mr. Wong Pong Chun, James, Mr. Cheung Tat Sang, James 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.