

TRULY®

Truly International Holdings Limited

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



NETWORK NETWORKING

Interim Report 2012

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FINANCIAL HIGHLIGHTS

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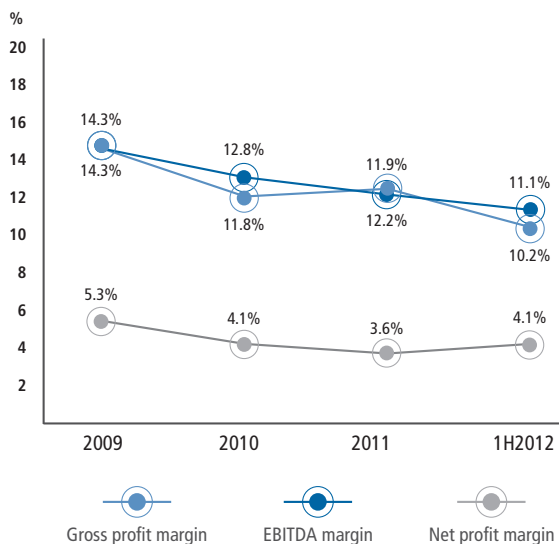
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For the six months ended 30 June

	2012 Unaudited HK\$'000	2011 Unaudited HK\$'000	Change %
Revenue	5,296,082	4,352,047	+21.7
Gross profit	539,369	529,874	+1.8
Profit for the period	221,392	224,535	-1.4
EBITDA	585,247	567,243	+3.2
Basic EPS (HK cents)	7.87	8.11	-3.0
DPS (HK cents)			
— First Interim	1.5	1	+50.0
— Second Interim	2	1	+100.0

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



During the first half of 2012, the unstable global economy and business environment have not been improved from 2011 except the smart phone market has been continuously growing in 2012. Therefore, the Group can still be benefited and can continue double digit growth in revenue during the period when compared to last year same period.

The Group's turnover for the 2012 interim period achieved approximately HK\$5.30 billion, representing an increase of approximately 22% from HK\$4.35 billion in 2011 same period; however the Group's gross profit margin has been reduced by approximately 2%. Therefore, net profit margin attributable to owners of the Company has been reduced to 4.1% for the period from 5.2% last year same period accordingly. It is mainly because the increasing China workers' wages and finance cost cannot be transferred to our customers and keen price competition during the period.

Thus, the Group would continue to accelerate the automation process in the production line and maintain the revenue growth to alleviate the decreasing pressure on the Group's profit margin by the positive effect of economy of scale from large scale of production.

We expected that the upward trend of demand on smart phone would be maintained in 2012 and 2013. The growth in the Group's revenue would be continuing in the second half of 2012 and the profit margin could be maintained in the second half of 2012.

Lam Wai Wah
Chairman

Hong Kong, 20 August 2012

Deloitte.

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TO THE BOARD OF DIRECTORS OF
TRULY INTERNATIONAL HOLDINGS LIMITED

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Truly International Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 6 to 24, which comprise the condensed consolidated statement of financial position as of 30 June 2012 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 these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements 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 these condensed consolidated financial statements consists of making enquiries, 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 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

20 August 2012

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

	NOTES	Six months ended 30 June	
		2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Revenue	3	5,296,082	4,352,047
Cost of sales		(4,756,713)	(3,822,173)
Gross profit		539,369	529,874
Other income		38,494	23,060
Other gains and losses		17,680	(3,409)
Administrative expenses		(154,167)	(145,334)
Distribution and selling expenses		(107,111)	(80,600)
Finance costs	4	(38,067)	(27,737)
Profit before tax		296,198	295,854
Income tax expense	5	(74,806)	(71,319)
Profit for the period	6	221,392	224,535
Other comprehensive (expense) income for the period			
Exchange differences arising on translation		(85,026)	148,429
Fair value gain (loss) on available-for-sale investment		16,780	(21,666)
		(68,246)	126,763
Total comprehensive income for the period		153,146	351,298
Profit for the period attributable to:			
Owners of the Company		217,811	224,535
Non-controlling interest		3,581	—
		221,392	224,535
Total comprehensive income for the period attributable to:			
Owners of the Company		149,701	351,298
Non-controlling interest		3,445	—
		153,146	351,298
Earnings per share	8		
Basic		HK7.87 cents	HK8.11 cents
Diluted		HK7.87 cents	HK8.11 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2012

	NOTES	30 June 2012 HK\$'000 (Unaudited)	31 December 2011 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	4,495,884	4,559,591
Prepaid lease payments		153,510	157,812
Intangible assets		409	480
Goodwill		413	413
Available-for-sale investments	10	63,510	46,730
Deferred tax assets		8,908	8,815
Deposits paid for acquisition of property, plant and equipment		62,983	38,889
		4,785,617	4,812,730
CURRENT ASSETS			
Inventories		918,361	882,742
Prepaid lease payments		3,606	3,644
Trade and other receivables	11	3,196,508	3,291,120
Tax recoverable		503	377
Fixed deposits		208,251	237,116
Bank balances and cash		898,804	868,404
		5,226,033	5,283,403
Non-current assets held for sale	12	2,669	2,699
		5,228,702	5,286,102
CURRENT LIABILITIES			
Trade and other payables	13	2,186,750	2,357,078
Tax liabilities		107,709	273,819
Bank and other borrowings, unsecured	14	2,472,469	2,233,641
		4,766,928	4,864,538
NET CURRENT ASSETS			
		461,774	421,564
TOTAL ASSETS LESS CURRENT LIABILITIES			
		5,247,391	5,234,294
NON-CURRENT LIABILITIES			
Bank and other borrowings, unsecured	14	760,066	798,479
Deferred tax liabilities		40,799	39,013
		800,865	837,492
		4,446,526	4,396,802
CAPITAL AND RESERVES			
Share capital	15	55,361	55,361
Share premium and reserves		4,377,032	4,341,441
Equity attributable to owners of the company		4,432,393	4,396,802
Non-controlling interest		14,133	—
Total equity		4,446,526	4,396,802

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2012

	Share capital HK\$'000	Share premium HK\$'000	Share options reserve HK\$'000	Special reserve HK\$'000 (note a)
At 1 January 2011 (Audited)	50,327	554,168	10,000	990
Profit for the period	—	—	—	—
Other comprehensive income (expense) for the period	—	—	—	—
— Exchange differences arising on translation of foreign operations	—	—	—	—
— Fair value loss on available-for-sale investment	—	—	—	—
Other comprehensive income (expense) for the period	—	—	—	—
Total comprehensive income (expense) for the period	—	—	—	—
Issue of share upon exercise of share options	1	21	—	—
Bonus issue of share	5,033	(5,033)	—	—
Dividend recognised as distribution (note 7)	—	—	—	—
At 30 June 2011 (Unaudited)	55,361	549,156	10,000	990
Profit for the period	—	—	—	—
Other comprehensive income for the period	—	—	—	—
— Exchange differences arising on translation of foreign operations and total comprehensive income	—	—	—	—
— Fair value loss on available-for-sale investment	—	—	—	—
— Reclassification to profit or loss on impairment loss of available-for-sale investment	—	—	—	—
Other comprehensive income for the period	—	—	—	—
Total comprehensive income for the period	—	—	—	—
Transfer	—	—	—	—
Dividend recognised as distribution (note 7)	—	—	—	—
At 31 December 2011 (Audited)	55,361	549,156	10,000	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 investment	—	—	—	—
Other comprehensive (expense) income for the period	—	—	—	—
Total comprehensive income for the period	—	—	—	—
Decrease in interests of a subsidiary (note c)	—	—	—	—
Dividend recognised as distribution (note 7)	—	—	—	—
At 30 June 2012 (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 (a) 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 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

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the six months ended 30 June 2012

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
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
—	—	—	—	156,224	156,224	—	156,224
—	27,908	—	—	—	27,908	—	27,908
—	—	—	(84,360)	—	(84,360)	—	(84,360)
—	—	—	106,026	—	106,026	—	106,026
—	27,908	—	21,666	—	49,574	—	49,574
—	27,908	—	21,666	156,224	205,798	—	205,798
—	—	73,216	—	(73,216)	—	—	—
—	—	—	—	(55,361)	(55,361)	—	(55,361)
82	771,890	585,991	—	2,423,332	4,396,802	—	4,396,802
—	—	—	—	217,811	217,811	3,581	221,392
—	(84,890)	—	—	—	(84,890)	(136)	(85,026)
—	—	—	16,780	—	16,780	—	16,780
—	(84,890)	—	16,780	—	(68,110)	(136)	(68,246)
—	(84,890)	—	16,780	217,811	149,701	3,445	153,146
—	(538)	913	—	(3,764)	(3,389)	10,688	7,299
—	—	—	—	(110,721)	(110,721)	—	(110,721)
82	686,462	586,904	16,780	2,526,658	4,432,393	14,133	4,446,526

enterprise expansion reserve can be used for expansion of production facilities or an increase in registered capital; and (b) difference between the carrying amount of interest in a subsidiary and the consideration received arising from the decrease in partial interest in a subsidiary.

- (c) The Group disposed of partial interest in a subsidiary during the period from 100% to 98% at a consideration of approximately HK\$7,299,000 to an independent third party.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2012

	Six months ended 30 June	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	133,384	(215,698)
NET CASH USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(139,503)	(405,197)
Acquisition of available-for-sale investment	—	(155,842)
Deposits paid for acquisition of property, plant and equipment	(62,983)	(15,198)
Other investing cash flows	33,532	(20,031)
	(168,954)	(596,268)
NET CASH FROM FINANCING ACTIVITIES		
Repayment of bank and other borrowings	(1,954,753)	(1,572,620)
Dividends paid	(96,851)	(67,922)
New bank and other borrowings raised	2,155,168	2,355,931
Proceeds on disposal of partial interest in a subsidiary	7,299	—
Other financing cash flows	(38,068)	(13,257)
	72,795	702,132
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	37,225	(109,834)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	868,404	851,945
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(6,825)	16,681
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	898,804	758,792

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2012

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 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 fair values.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2012 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2011.

In addition, the Group applied the following accounting policies for basis of consolidation.

Basis of consolidation

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2012

2. PRINCIPAL ACCOUNTING POLICIES (continued)

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standard (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”):

- amendments to HKFRS 7 Financial Instruments: Disclosure — Transfer of Financial Assets; and
- amendments to HKAS 12 Deferred Tax: Recovery of Underlying Assets.

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to the executive 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 cost plus a percentage of mark-up. Thus the group is currently organised into two operating segments which are sales of 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 2012

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 2012 (Unaudited)

	LCD products HK\$'000	Electronic consumer products HK\$'000	Segment total HK\$'000	Eliminations HK\$'000	Consolidated HK\$'000
REVENUE					
External sales	4,801,369	494,713	5,296,082	—	5,296,082
Inter-segment sales	—	152,107	152,107	(152,107)	—
	4,801,369	646,820	5,448,189	(152,107)	5,296,082
RESULT					
Segment result	333,492	22,330	355,822	(4,251)	351,571
Finance costs					(38,067)
Unallocated expenses					(17,306)
Profit before tax					296,198

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2012

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

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	325,431	20,544	345,975	(6,869)	339,106
Finance costs					(27,737)
Unallocated expenses					(15,515)
Profit before tax					295,854

The unaudited segment results for the six months ended 30 June 2011 have been re-presented as a result of reallocating certain expenses for consistent basis with the segment results for the six months ended 30 June 2012.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2012

4. FINANCE COSTS

	Six months ended 30 June	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Interest on bank and other borrowings wholly repayable within five years	38,067	27,737

5. INCOME TAX EXPENSE

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit 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. The subsidiary was under the process of approval from the relevant authority for the entitlement to the 15% PRC enterprise income tax rate 2012 onwards.

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%.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2012

6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Profit for the period has been arrived at after charging (crediting):		
Auditor's remuneration	1,400	1,600
Cost of inventories recognised as an expense	4,069,207	3,269,024
Depreciation and amortisation on:		
Property, plant and equipment	250,911	240,800
Technical know-how included in cost of sales	69	2,833
Trademarks included in cost of sales	2	19
	250,982	243,652
Loss on disposal of property, plant and equipment	2,755	2,714
Reversal of allowance for doubtful debts (Note)	(21,050)	—
Operating lease rental in respect of rented premises	2,848	3,035
Release of prepaid lease payments	2,050	1,951
Staff costs, inclusive of directors' remuneration	471,380	440,960

Note:

During the period, the Group received settlement of approximately HK\$21,050,000 (six months ended 30 June 2011: Nil) from other debtors for debts with allowance previously made. Such reversal of allowance is included in other gains and losses on the condensed consolidated statement of comprehensive income for the period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2012

7. DIVIDENDS

	Six months ended 30 June	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Dividend recognised as distribution during the period:		
2011 Final dividend of 2.5 HK cents (2010 Final dividend of 1 HK cent) per share	69,201	27,680
2012 Interim dividend of 1.5 HK cents per share (2011 Interim dividend of 1 HK cent per share)	41,520	27,680
	110,721	55,360

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	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Earnings for the purposes of basic and diluted earnings per share attributable to the owners of the Company	217,811	224,535

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2012

8. EARNINGS PER SHARE (continued) Number of shares

	2012 '000	2011 '000
Weighted average number of ordinary shares for the purposes of basic earnings per share	2,768,037	2,768,006
Effect of dilutive potential ordinary shares: Share options issued by the Company	—	2,434
Weighted average number of ordinary shares for the purposes of diluted earnings per share	2,768,037	2,770,440

The computation of diluted earnings per share for the six months ended 30 June 2012 did not assume the conversion of outstanding share options since the exercise price was higher than the average market price of the Company's shares during the six months ended 30 June 2012.

9. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired certain property, plant and equipment amounting to HK\$239,985,000 (six months ended 30 June 2011: HK\$405,197,000).

During the period, the Group disposed of certain property, plant and equipment with an aggregate carrying amount of HK\$2,934,000 (six months ended 30 June 2011: HK\$4,740,000) for a cash consideration of HK\$179,000 (six months ended 30 June 2011: HK\$2,026,000), resulting in loss on disposal of HK\$2,755,000 (six months ended 30 June 2011: HK\$2,714,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2012

10. AVAILABLE-FOR-SALE INVESTMENTS

	30 June 2012 HK\$'000 (Unaudited)	31 December 2011 HK\$'000 (Audited)
Listed equity shares listing in Taiwan (note a)	63,510	46,730
Unlisted equity shares, at cost (note b)	10,500	10,500
Less: Impairment loss recognised	(10,500)	(10,500)
	—	—
Total	63,510	46,730

Notes:

- (a) The listed equity investment represents approximately 2% equity interest in a company incorporated in 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 quote market bid price available in the relevant stock exchange. During the period, fair value gain of HK\$16,780,000 (year ended 31 December 2011: fair value loss of HK\$106,026,000) has been recognised.
- (b) The investments represented 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 have assessed the expected future cash flows expected to be generated and an impairment loss was fully provided against the cost as at 30 June 2012 and 31 December 2011.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2012

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 2012			31 December 2011		
	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	1,861,529	382,563	2,244,092	1,936,061	377,647	2,313,708
61 to 90 days	299,046	122,589	421,635	403,198	183,955	587,153
More than 90 days	99,321	304,011	403,332	73,199	172,469	245,668
	2,259,896	809,163	3,069,059	2,412,458	734,071	3,146,529
Other receivables, deposits and prepayment			127,449			144,591
			3,196,508			3,291,120

Included in other receivables are other PRC tax recoverable of HK\$74,052,000 (31 December 2011: HK\$75,784,000).

12. NON-CURRENT ASSETS HELD FOR SALE

	30 June 2012 HK\$'000 (Unaudited)	31 December 2011 HK\$'000 (Audited)
Leasehold properties in the PRC held under medium-term leases	2,669	2,699

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2012

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 2012 HK\$'000 (Unaudited)	31 December 2011 HK\$'000 (Audited)
Within 60 days	1,292,763	1,221,340
61 to 90 days	225,743	325,648
More than 90 days	102,675	110,654
	1,621,181	1,657,642

14. BANK AND OTHER BORROWINGS, UNSECURED

	30 June 2012 HK\$'000 (Unaudited)	31 December 2011 HK\$'000 (Audited)
Bank loans	1,578,837	1,828,560
Trust receipt loans	1,602,226	1,155,295
Other loans	51,472	48,265
	3,232,535	3,032,120

During the period, the Group obtained new borrowings amounting to HK\$2,155,168,000 (six months ended 30 June 2011: HK\$2,355,931,000). 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 repricing every three months and the range of effective interest rates is at 1.02% to 3.15% (2011: 1.05% to 3.50%) per annum. The proceeds are used to 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 2012

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 (2011: HK\$0.1 each)			
Authorised:			
Balance at 1 January 2011	—	650,000,000	65,000
Increase	—	350,000,000	35,000
Effect of share sub-division to HK\$0.02 each (note b)	5,000,000,000	(1,000,000,000)	—
Balance at 31 December 2011 and 30 June 2012	5,000,000,000	—	100,000
Issued and fully paid:			
Balance at 1 January 2011	—	503,269,527	50,327
Effect of share sub-division (note b)	2,516,347,635	(503,269,527)	—
Issue of ordinary share upon bonus issue (note c)	251,634,763	—	5,033
Issue of ordinary shares upon exercise of share options	55,000	—	1
Balance at 31 December 2011 and 30 June 2012	2,768,037,398	—	55,361

Notes:

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2012

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 outstanding options were either exercised or lapsed during the six months ended 30 June 2011.

(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	Number of options outstanding at 1.1.2012 and 30.6.2012
<i>Directors:</i>		
26 February 2004	27.2.2004 to 21.12.2013	95,425,000
15 June 2006	16.6.2006 to 21.12.2013	49,500,000
		144,925,000
<i>Employees:</i>		
26 February 2004	27.2.2004 to 21.12.2013	140,937,500
15 June 2006	16.6.2006 to 21.12.2013	24,750,000
		165,687,500
		310,612,500

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the six months ended 30 June 2012

17. CAPITAL COMMITMENTS

	30 June 2012 HK\$'000 (Unaudited)	31 December 2011 HK\$'000 (Audited)
Capital expenditure contracted for but not provided in the condensed consolidated financial statements in respect of acquisition of plant and equipment	329,713	60,048
Capital expenditure authorised but not contracted for in respect of acquisition of plant and equipment	—	342,000

18. RELATED PARTY TRANSACTIONS

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

	Six months ended 30 June	
	2012 HK\$'000 (Unaudited)	2011 HK\$'000 (Unaudited)
Short-term benefits	12,679	14,695
Post-employment benefits	56	50
	12,735	14,745

The remuneration of directors and key executives is 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 2012 amounted to approximately HK\$5.30 billion (2011: approximately HK\$4.35 billion). Profit for the period attributable to owners of the Company was approximately HK\$218 million (2011: approximately HK\$225 million).

BUSINESS REVIEW AND OUTLOOK

Revenue for the first half year was increased by approximately 22% to approximately HK\$5.30 billion (2011: HK\$4.35 billion). 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 still representative examples of the Group in this interim period and we expect a continuing booming growth of these two types of businesses in the second half year of 2012.

The management expected that the smart phone market is still growing in 2012 and 2013. Our major products including LCD products and touch panel products would be continuously benefited.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's assets and liabilities have been decreased by approximately HK\$85 million and HK\$134 million respectively during the period.

At the balance sheet date, the outstanding bank and other borrowings, net of fixed deposits and cash and bank balances, were HK\$2,125 million (HK\$1,927 million at 31 December 2011). Among the total gross borrowings of HK\$3,233 million, HK\$2,472 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\$330 million (approximately HK\$60 million at 31 December 2011) and will be financed principally from internal reserves and bank loans.

GENERAL

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 2 HK cents per share to shareholders whose names appear on the Register of Members on 29 October 2012. Together with the first interim dividend of 1.5 HK cents per share to be paid on 5 September 2012, the total interim dividends payable were 3.5 HK cents per share (2011: 2 HK cents). It is expected that the second interim dividend payments will be made to shareholders on 5 December 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 25 October 2012 to 29 October 2012, 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 24 October 2012.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

At 30 June 2012, 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	43.40%
	Held by spouse (Note 1)	74,844,000	2.70%
		1,276,266,000	46.11%
Wong Pong Chun, James	Beneficial owner	1,473,000	0.05%
	Held by spouse (Note 2)	1,650,000	0.06%
		3,123,000	0.11%
Cheung Tat Sang	Beneficial owner	3,949,000	0.14%
Li Jian Hua	Beneficial owner	12,270,000	0.44%

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	Beneficial owner	—	—
Wong Pong Chun, James	Beneficial owner	48,950,000	48,950,000
Cheung Tat Sang	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 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 2012.

SHARE OPTIONS

Details of the share options outstanding as at 30 June 2012 which have been granted under share option schemes adopted respectively on 22 December 2003 and 15 June 2006 were as follows:

Name	Capacity	Number of options
		Outstanding at 1.1.2012 and 30.6.2012
Lam Wai Wah (Note)	Director/Substantial shareholder	—
Wong Pong Chun, James	Director	48,950,000
Cheung Tat Sang	Director	48,950,000
Li Jian Hua	Director	22,825,000
Guo Yu Yan	Spouse of Director	24,200,000
		144,925,000
Others	Employees	165,687,500
		310,612,500

Note: Other than the share options previously held by Lam Wai Wah, 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 2012, 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

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 2012.

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” (effective until 31 March 2012) and the “Corporate Governance Code” (newly effective from 1 April 2012) contained in Appendix 14 of the Listing Rules throughout the six months ended 30 June 2012, except for a major deviation as below:

— Code Provision A.1.8

An issuer has been required to arrange appropriate insurance cover in respect of potential legal action against its directors. With regular and timely communications among the Directors and the management of the Group, the management of the Group believes that all potential claims and legal actions against the Directors can be handled effectively, and the possibility of actual litigation against the Directors is low. Nevertheless, the Board had started to review the relevant insurance proposals and would arrange for appropriate insurance coverage as soon as practicable.

CORPORATE GOVERNANCE (continued)

— 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 A.6.7

Mr. Chung Kam Kwong and Mr. Heung Kai Sing, independent non-executive directors of the Company, were unable to attend the annual general meeting of the Company held on 22 May 2012 due to prior business commitment.

— Code Provision E.1.2

The Chairman did not attend the annual general meeting of the Company held on 22 May 2012 due to unexpected important business meeting.

PUBLICATIONS OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement and this 2012 Interim Report are published on the HKExnews website at www.hkxnews.hk and that of the Company at www.truly.com.hk.

By Order of the Board
Lam Wai Wah
Chairman

Hong Kong, 20 August 2012

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.