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TRULY®

TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

ANNOUNCEMENT OF 2011 ANNUAL RESULTS

FINANCIAL HIGHLIGHTS

	For the year ended 31 December		
	2011	2010	Change
	HK$'000	*HK$'000*	*%*
Revenue	**10,503,988**	7,735,711	+35.8
Gross profit	**1,284,075**	910,586	+41.0
Profit for the year	**380,759**	314,956	+20.9
EBITDA	**1,248,134**	989,733	+26.1
EPS *(HK cents) (Remark 1)*			
— Basic	**13.76**	11.45	+20.2
— Diluted	**13.76**	11.45	+20.2
DPS *(HK cents) (Remark 2)*			
— Interim	**3**	4	-25.0
— Final	**2.5**	1	+150.0

Remark 1:

The calculation of basic earnings per share and diluted earnings per share for the year ended 31 December 2010 have been adjusted for the bonus issued and the share subdivision that have been approved by the shareholders at the extraordinary general meeting held on 19 January 2011.

Remark 2:

The interim dividends in aggregate of 3 HK cents (2010: 4 HK cents based on ordinary share in issue after the adjustment for the bonus issued and the share subdivision that have been approved by the shareholders at the extraordinary general meeting held on 19 January 2011) per share amounting to approximately HK$83 million were paid and payable in 2011 to shareholders on the register of members of the Company at the close of business on 20 June 2011, 18 October 2011 and 20 December 2011, based on 2,768,037,398 ordinary shares in issue respectively.

The final dividend of 2.5 HK cents per share based on 2,768,037,398 ordinary shares (2010: final dividend of 1 HK cent, based on 2,767,982,398 in respect of the year ended 31 December 2010) has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

THE CHAIRMAN'S STATEMENT

Truly International Holdings Ltd. (the "Company") has made a breakthrough of HK$10 billion revenue for the year ended 31 December 2011 and it is a new milestone of the Group. The Company has also achieved the target of double digit growth in revenue which was made last year and represented an increase by approximately 35.8% compared with 2010. Although the global economy was unstable in 2011, particular in Europe and USA, the Group can still enjoy the sustained growth in smart phone market, particular in China. Our liquid crystal display ("LCD"), capacitive touch panel and high resolution Compact Camera Module ("CCM") products have continuously obtained benefits from the successful and mature global smart phone market. Along with the sustained tidal wave of smart phone in China, it is expected that there is still a growth in the Group's revenue in 2012.

The Group's profit margin was still under pressure due to continuing increase in China workers' wages and finance cost. Same as previous years, most of these increased costs cannot be transferred immediately to our customers. However, the Group's gross profit margin (12.2%) still can be slightly improved in 2011 compared with 2010 (11.8%) that is mainly attributed to significant increase in revenue and the positive effect of economy of scale from large scale of production. The Group has accelerated the automation process in the production lines in order to reduce the adverse effect from increasing wages in China.

Profit attributable to shareholders of the Company was approximately HK$381 million. This is not in line with the growth rate of the Group's revenue in 2011 due to significant decline in the value of available-for-sale investments in HannStar Display Corporation as at 31 December 2011 by approximately HK$106 million. Besides, the Group has provided the remaining profits tax amounting to HK$80,889,000 (2010: HK$55,000,000) for the year ended 31 December 2011 relating to the years of additional assessment from 2001/2002 to 2005/2006 as the Group has withdrawn the appeal to the Board of Review according to professional advice and recent court rulings of relevant precedent cases. Therefore, the tax dispute case relating to years of additional assessment from 2001/2002 to 2005/2006 has been closed in February 2012 and the relevant tax payment of approximately HK$136 million has been fully settled in February 2012.

It is worth to note that significant decline in the value of available-for-sale investments would not have any immediate impact on the Group's cashflow.

On behalf of the Board of Directors, I would take this opportunity to thank our management team, all Board members and our staff for their hard work and dedication. I would also like to express my gratitude to our shareholders, business partners, and banks for their continuous support to the Group.

Lam Wai Wah
Chairman

Hong Kong, 26 March 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2011

	Notes	2011 HK$'000	2010 HK$'000
Revenue	3	**10,503,988**	7,735,711
Cost of sales		**(9,219,913)**	(6,825,125)
Gross profit		**1,284,075**	910,586
Other income	5	**75,373**	37,937
Other gains and losses	6	**(25,591)**	(36,768)
Impairment loss on available-for-sale investments		**(106,026)**	—
Administrative expenses		**(302,821)**	(231,653)
Distribution and selling expenses		**(188,554)**	(147,524)
Finance costs	7	**(65,110)**	(43,414)
Profit before tax		**671,346**	489,164
Income tax expense	8	**(290,587)**	(174,208)
Profit for the year	9	**380,759**	314,956
Other comprehensive income for the year			
Exchange differences arising on translation		**176,337**	75,330
Fair value loss on available-for-sale investments		**(106,026)**	—
Reclassification to profit or loss on impairment loss of available-for-sale investments		**106,026**	—
		176,337	75,330
Total comprehensive income for the year		**557,096**	390,286
EARNINGS PER SHARE	11		
Basic		**13.76** HK cents	11.45 HK cents
Diluted		**13.76** HK cents	11.45 HK cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2011

	Notes	31.12.2011	31.12.2010
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**4,559,591**	4,228,878
Prepaid lease payments		**157,812**	153,895
Intangible assets		**480**	5,710
Goodwill		**413**	413
Available-for-sale investments		**46,730**	—
Deferred tax assets		**8,815**	8,451
Deposits paid for acquisition of property, plant and equipment		**38,889**	32,613
		4,812,730	4,429,960
CURRENT ASSETS			
Inventories		**882,742**	748,872
Prepaid lease payments		**3,644**	3,730
Trade and other receivables	*12*	**3,291,120**	1,853,826
Tax recoverable		**377**	12,148
Fixed deposits		**237,116**	—
Bank balances and cash		**868,404**	851,945
		5,283,403	3,470,521
Non-current assets held for sale		**2,699**	14,535
		5,286,102	3,485,056
CURRENT LIABILITIES			
Trade and other payables	*13*	**2,357,078**	1,566,786
Tax liabilities		**273,819**	97,165
Derivative financial instruments		**—**	1,746
Bank and other borrowings, unsecured		**2,233,641**	1,653,287
		4,864,538	3,318,984
NET CURRENT ASSETS		**421,564**	166,072
TOTAL ASSETS LESS CURRENT LIABILITIES		**5,234,294**	4,596,032

	Notes	**31.12.2011**	31.12.2010
		HK$'000	*HK$'000*
NON-CURRENT LIABILITIES			
Bank and other borrowings, unsecured		**798,479**	610,185
Deferred tax liabilities		**39,013**	35,442
		837,492	645,627
		4,396,802	3,950,405
CAPITAL AND RESERVES			
Share capital		**55,361**	50,327
Share premium and reserves		**4,341,441**	3,900,078
Total equity		**4,396,802**	3,950,405

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2011

1. GENERAL

The Company was incorporated in the Cayman Islands under the Companies Law of the Cayman Islands as an exempted company. The Company is a public limited company with its shares listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Its ultimate controlling party is Mr. Lam Wai Wah. The addresses of the registered office and principal place of business of the Company are P.O. Box 309, Grand Cayman, Cayman Islands and 2/F., Chung Shun Knitting Centre, 1–3 Wing Yip Street, Kwai Chung, N.T., Hong Kong respectively.

The functional currency of the Company is United States dollars. The consolidated financial statements are presented in Hong Kong dollars which is different from the functional currency of the Company, as the directors of the Company consider that Hong Kong dollars is the most appropriate presentation currency in view of its place of listing.

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the business of manufacture and sale of liquid crystal display ("LCD") products and electronic consumer products including high resolution compact camera module ("CCM"), personal health care products and electrical devices.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (as revised in 2009)	Related Party Disclosures
Amendments to HKAS 32	Classification of Rights Issues
Amendments to HK(IFRIC)-Int 14	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior year and/or on the disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but not yet effective:

Amendments to HKFRS 7	Disclosures — Transfers of Financial Assets[1]
Amendments to HKFRS 7	Disclosures — Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[3]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 11	Joint Arrangements[2]
HKFRS 12	Disclosure of Interests in Other Entities[2]
HKFRS 13	Fair Value Measurement[2]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[5]
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets[4]
HKAS 19 (Revised 2011)	Employee Benefits[2]
HKAS 27 (Revised 2011)	Separate Financial Statements[2]
HKAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[2]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[6]
HK(IFRIC)-Int 20	Stripping Costs in the Production Phase of a Surface Mine[2]

[1] Effective for annual periods beginning on or after 1 July 2011
[2] Effective for annual periods beginning on or after 1 January 2013
[3] Effective for annual periods beginning on or after 1 January 2015
[4] Effective for annual periods beginning on or after 1 January 2012
[5] Effective for annual periods beginning on or after 1 July 2012
[6] Effective for annual periods beginning on or after 1 January 2014

HKFRS 9 Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

- HKFRS 9 requires all recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- The most significant effect of HKFRS 9 regarding the classification and measurement of financial liabilities relates to the presentation of changes in the fair value of a financial liability (designated as at fair value through profit or loss) attributable to changes in the credit risk of that liability. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The directors anticipate that the adoption of HKFRS 9 in the future will have impact on amounts reported in respect of the Group's available-for-sale investments. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 13 Fair Value Measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 *Financial Instruments: Disclosures* will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new Standard is not expected to affect the amounts reported in the consolidated financial statements but result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for the Group for annual period beginning on 1 January 2013. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

The Directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3. REVENUE

Revenue represents the gross proceeds received and receivable on the sale of goods during the year, net of sales tax, trade discounts and returns, and is analysed as follows:

	2011	2010
	HK$'000	*HK$'000*
Sales of LCD products	**9,760,564**	7,147,133
Sales of electronic consumer products	**743,424**	588,578
	10,503,988	7,735,711

4. 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 type of products. Inter-segment sales are charged at a 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 of 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

Segment revenues and results

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

For the year ended 31 December 2011

	LCD products *HK$'000*	**Electronic consumer products** *HK$'000*	**Segment total** *HK$'000*	**Eliminations** *HK$'000*	**Consolidated** *HK$'000*
REVENUE					
External sales	**9,760,564**	**743,424**	**10,503,988**	**—**	**10,503,988**
Inter-segment sales	**—**	**409,057**	**409,057**	**(409,057)**	**—**
	9,760,564	**1,152,481**	**10,913,045**	**(409,057)**	**10,503,988**
RESULT					
Segment results	**838,488**	**38,353**	**876,841**	**(10,492)**	**866,349**
Impairment loss on available-for-sale investments					**(106,026)**
Finance costs					**(65,110)**
Unallocated expenses					**(23,867)**
Profit before tax					**671,346**

For the year ended 31 December 2010

	LCD products *HK$'000*	Electronic consumer products *HK$'000*	Segment total *HK$'000*	Eliminations *HK$'000*	Consolidated *HK$'000*
REVENUE					
External sales	7,147,133	588,578	7,735,711	—	7,735,711
Inter-segment sales	—	181,146	181,146	(181,146)	—
	7,147,133	769,724	7,916,857	(181,146)	7,735,711
RESULT					
Segment results	541,297	26,260	567,557	(4,627)	562,930
Finance costs					(43,414)
Unallocated expenses					(30,352)
Profit before tax					489,164

Geographical information

The following table set out information about (i) the Group's revenue from external customers by location of customers and (ii) the Group's non-current assets by location of assets.

	Revenue from external customers		Non-current assets	
	2011	2010	**31.12.2011**	31.12.2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
People's Republic of China ("PRC")	**7,270,648**	5,450,319	**4,700,796**	4,359,578
South Korea	**1,768,581**	1,277,092	**—**	—
Japan	**387,028**	233,640	**—**	—
Hong Kong	**383,563**	347,741	**56,388**	61,926
Europe	**275,684**	156,905	**—**	—
Others	**418,484**	270,014	**1**	5
	10,503,988	7,735,711	**4,757,185**	4,421,509

Notes:

(1) Regarding revenue arising from sales to external customers in Europe and others, no individual countries are material and hence separate disclosure is not presented.

(2) Non-current assets exclude available-for-sale investments and deferred tax assets.

5. OTHER INCOME

	2011	2010
	HK$'000	*HK$'000*
Other income includes:		
Compensation income	**8,752**	—
Government grants	**17,832**	4,047
Interest income	**5,697**	340
Rental income	**7,425**	7,417
Scrap sales	**25,619**	15,897

6. OTHER GAINS AND LOSSES

	2011	2010
	HK$'000	*HK$'000*
Net foreign exchange (gain) losses	**(10,811)**	36,905
Gain on disposal of non-current assets held for sale	**(12,192)**	(20,342)
Loss on disposal/write-off of property, plant and equipment	**12,750**	17,395
Allowance for doubtful debts	**35,843**	1,258
Decrease of fair value on derivative financial instruments	**1**	1,552
	25,591	36,768

7. FINANCE COSTS

	2011	2010
	HK$'000	*HK$'000*
Interest on bank and other borrowings repayable		
— within five years	**62,109**	43,414
— over five years	**3,001**	—
	65,110	43,414

8. INCOME TAX EXPENSE

	2011	2010
	HK$'000	*HK$'000*
Current tax:		
Hong Kong	**22,227**	11,145
PRC Enterprise Income Tax	**166,508**	84,149
Other jurisdictions	**22**	52
	188,757	95,346
Underprovision in prior years:		
Hong Kong	**80,438**	56,148
Withholding tax	**14,542**	17,381
Land appreciation tax	**3,643**	5,014
Deferred tax	**3,207**	319
Income tax expense for the year	**290,587**	174,208

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

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 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%.

9. PROFIT FOR THE YEAR

	2011 *HK$'000*	2010 *HK$'000* *(restated)*
Profit for the year has been arrived at after charging:		
Auditor's remuneration	**2,800**	2,680
Cost of inventories recognised as expenses	**8,715,647**	6,401,503
Depreciation and amortisation on:		
Property, plant and equipment	**505,879**	451,448
Technical know-how	**5,760**	5,665
Trademarks included in cost of sales	**39**	42
	511,678	457,155
Operating lease rental in respect of rented premises	**6,998**	5,827
Release of prepaid lease payments	**3,584**	3,379
Staff costs, inclusive of directors' remuneration:		
Salaries and other benefits	**909,332**	630,023
Retirement benefits scheme contributions	**78,045**	37,044
	987,377	667,067

10. DIVIDENDS

	2011 *HK$'000*	2010 *HK$'000*
Dividend recognised as distribution during the year:		
2011 Interim dividends of 3 HK cents (2010 Interim dividends of 4* HK cents) per share	**83,041**	110,717
2010 Final dividend of 1 HK cent (2009 final dividend of 1.82* HK cents) per share	**27,680**	50,318
	110,721	161,035

The interim dividends in aggregate of 3 HK cents (2010: 4* HK cents) per share amounting to approximately HK$83,041,000 were paid and payable in 2011 to shareholders on the register of members of the Company at the close of business on 20 June 2011, 18 October 2011 and 20 December 2011, based on 2,768,037,398 ordinary shares in issue respectively.

The final dividend of 2.5 HK cents based on 2,768,037,398 ordinary shares in respect of the year ended 31 December 2011 (2010: final dividend of 1 HK cent, based on 2,767,982,398 in respect of the year ended 31 December 2010) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

* Based on ordinary share in issue after the adjustment for the bonus issued and the share subdivision that have been approved by the shareholders at the extraordinary general meeting held on 19 January 2011.

11. EARNINGS PER SHARE

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

Earnings

	2011	2010
	HK$'000	*HK$'000*
Earnings for the purposes of basic and diluted earnings per share	**380,759**	314,956

Number of shares

	2011	2010
	'000	*'000*
Weighted average number of ordinary shares for the purposes of basic earnings per share	**2,768,022**	2,731,448
Effect of dilutive potential ordinary shares: Share options issued by the Company	**—**	7,440
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**2,768,022**	2,738,888

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the bonus issued and share subdivision that have been approved by shareholders at the extraordinary general meeting held on 19 January 2011. The corresponding number of ordinary shares of 2010 has been retrospectively adjusted to reflect the said bonus issues and share subdivision.

The computation of diluted earnings per share for the year ended 31 December 2011 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 year ended 31 December 2011.

12. TRADE AND OTHER RECEIVABLES

	31.12.2011	31.12.2010
	HK$'000	*HK$'000*
Trade and bills receivables	**3,153,077**	1,585,976
Less: Allowance for doubtful debts	**(6,548)**	(7,421)
	3,146,529	1,578,555
Other receivables, deposits and prepayment	**177,801**	275,271
Less: Allowance for doubtful debts	**(33,210)**	—
	144,591	275,271
Total trade and other receivables	**3,291,120**	1,853,826

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 invoice date at the end of the reporting period, net of the allowance for doubtful debts at the reporting date:

	2011			2010		
	Trade receivables	**Bills receivables**	**Total**	Trade receivables	Bills receivables	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Within 60 days	**1,936,061**	**377,647**	**2,313,708**	1,294,346	160,275	1,454,621
61 to 90 days	**403,198**	**183,955**	**587,153**	44,105	24,165	68,270
More than 90 days	**73,199**	**172,469**	**245,668**	30,686	24,978	55,664
	2,412,458	**734,071**	**3,146,529**	1,369,137	209,418	1,578,555

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:

	31.12.2011	31.12.2010
	HK$'000	*HK$'000*
Within 60 days	**1,221,340**	766,965
61 to 90 days	**325,648**	168,368
More than 90 days	**110,654**	64,905
	1,657,642	1,000,238

The credit period on purchases of goods ranges from 60 to 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

Revenue for the year recorded a significant growth of approximately 35.8% amounting to around HK$10.5 billion (2010: HK$7.7 billion). Although the global economy was unstable in 2011, China economy has still been sustaining growth in 2011. Therefore, the significant growth in revenue in 2011 was mainly attributed from China economy growth. Audited profit for the year was approximately HK$381 million which was approximately 20.9% more than the last corresponding year in 2010 (approximately HK$315 million). The gross profit margin for the year was slightly increased to around 12.2% (2010: 11.8%) but net profit margin was slightly decreased to approximately 3.6% (2010: 4.1%). The management believes that the Group's profit margins could be maintained in 2012 by growth in revenue and the positive effect of economy of scale from large scale of production .

The Group's LCD business including touch panel business was about 93% of the total revenue for the year. Other businesses including the sales of compact camera modules and printed circuit boards accounted for approximately 7% of the Group's revenue in 2011. The management believes that the smart phone market would still keep hot in coming few years, particular in China. Our major products would be continuously benefited by this trend.

Outlook

Looking forward to 2012, the global economic conditions remain challenging due to weakening US and European economies. Besides, China recently lowers 2012 GDP growth target to 7.5%. The demand for LCD products including smart phone might be weakened because consumers spending power would be weakened. However, we have confident to sustain a growth in 2012 as we believe that the smart phone market would continue to grow in 2012.

The Group has been continuing to take more actions on cost control and inventory control to encounter unstable economy situation. The Group would accelerate the production automation to reduce the negative effect from continuing increase in China labour wages.

Marketing teams and production planning continue to be closely integrated to work out the best costing structure to achieve the optimal operating and financial results for the Group.

FINANCIAL ANALYSIS

Investment, Assets and Liabilities

During the year, the Group acquired plant and machinery amounting to approximately HK$641 million and properties under development amounting to approximately HK$122 million for the purpose of expanding its manufacturing capacity in the China factory campus.

Total assets were increased by approximately 27.6% to approximately HK$10,099 million which comprised approximately HK$5,286 million of current assets, approximately HK$4,560 million of property, plant and equipment and approximately HK$253 million of other non-current assets. Total liabilities were approximately HK$5,702 million, of which approximately HK$4,865 million were current liabilities and approximately HK$837 million were non-current liabilities.

Liquidity and Financial Resources

Revenue for the year were increased by approximately 35.8%. Profit for the year was increased by approximately 20.9% and earnings per share was increased by 20.2%.

As at 31 December 2011, the outstanding bank borrowings, net of fixed deposits and cash and bank balances, were approximately HK$1,927 million (2010: approximately HK$1,412 million). These borrowings bear interest at prevailing market rate.

The financial position of the Group is still healthy and ready for future capital expansion while keeping a sufficiently high level of fixed deposits and cash and bank balances (approximately HK$1,106 million at 31 December 2011) together with adequate unutilised banking facilities. The gearing ratio based on total interest bearing debts, net of fixed deposits and cash and bank balances was approximately 43.8%.

Capital expenditure of around HK$342 million for the next three years in respect of acquisitions of property, plant and equipment was authorized but not contracted for. Their expected sources of funding will be principally from internal reserves.

General

On 19 January 2011, three ordinary resolution were passed at the Extraordinary General Meeting of the Company to increase the authorized share capital from HK$65,000,000 (divided into 650,000,000 ordinary shares of HK$0.10 each) to HK100,000,000 (divided into 1,000,000,000 ordinary shares of HK$0.10 each), to subdivide each issued and unissued shares of HK$0.10 each into 5 subdivided shares of HK$0.02 each (the Share Subdivision was effective on 20 January 2011), and to issue Bonus Shares on the basis of one new for every 10 shares held (a total of 251,634,763 Bonus Shares of HK$0.02 each were issued on 28 January 2011) separately. During the year, the Company issued 55,000 ordinary shares of HK$0.02 each under the share option scheme at HK$0.3993 per share for an aggregate consideration of HK$21,961.50. The new shares rank pari passu with the existing shares in all respects and the issued share capital of the Company was accordingly increased to approximately HK$55,361,000 at 31 December 2011.

The state of the Group's current order books is very strong.

Except for investments in subsidiaries and available-for-sale investments, neither the Group nor the Company had held any other material investments during the year.

Additions to fixed assets mainly in properties under development and plant and machinery were approximately HK$796 million. As at 31 December 2011, the Group had no pledge or mortgage on its fixed assets.

Around 17,000 workers and staff are currently employed in our Shan Wei factory in China and around 100 personnel in the Group's Hong Kong office. Total staff costs for the year were approximately HK$987 million.

The Group had no material contingent liabilities at the balance sheet date and exposure to fluctuations in exchange rates will be hedged, if any.

OTHER INFORMATION

Review of Consolidated Financial Statements

The Audit Committee of the Company has reviewed the annual results of the Group for the year ended 31 December 2011.

Scope of work of Deloitte Touche Tohmatsu

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2011 as set out in the Preliminary Announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

Dividends

The directors recommend the payment of a final dividend of 2.5 HK cents (2010: 1 HK cent) per share for the year ended 31 December 2011, based on ordinary shares in issue (number of ordinary shares issued at 28 February 2012: 2,768,037,398), to shareholders whose names appear on the Register of Members on 28 May 2012 (Monday). It is expected that the final dividend payments will be made to shareholders on 5 June 2012, Tuesday, subject to the Company's shareholders' approval at the Annual General Meeting of the Company.

The interim dividends in aggregate of 3 HK cents per share (2010: 4 HK cents based on ordinary share in issue after the adjustment for the bonus issued and share subdivision that have been approved by the shareholders at the extraordinary general meeting held on 19 January 2011) were paid and payable in 2011 to shareholders on the register of member of the Company at the close of business on 20 June 2011, 18 October 2011 and 20 December 2011, based on 2,768,037,398 ordinary shares in issue.

The total dividend payout ratio for the year was about 40%.

Closure of Register of Members

For determining the entitlement to attend and vote at the 2012 Annual General Meeting, the Register of Members will be closed from 18 May 2012 to 22 May 2012, both dates inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the AGM, 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 4:00 p.m. on 17 May 2012.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed on 28 May 2012 during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at the above address for registration not later than 4: 00 p.m. on Friday, 25 May 2012.

Annual General Meeting

The 2012 Annual General Meeting of the Company will be held in May 2012. A notice convening the meeting will be issued in due course.

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 year.

Model Code

None of the Directors of the Company is aware of information that would reasonably indicate that the Company was not in the year 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 Chairman, Mr. Ip Cho Ting, Spencer and Mr. Heung Kai Sing, and Mr. Wong Pong Chun, James, an executive director, as members. They meet at least four times a year.

The Group has received, from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

Remuneration and Nomination Committees

The Company has a Remuneration Committee and a Nomination Committee respectively 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, an executive director of the Company.

Corporate Governance

The Board considers that good corporate governance of the Company is essential to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintain and ensure high standards of corporate governance. The Company has 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 year ended 31 December 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. 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 management of Company and believes that this structure will enable us to make and implement decisions promptly and efficiently.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision-making processes are regulated in a proper and prudent manner.

Sufficiency of Public Float

The Company has maintained a sufficient public float throughout the year ended 31 December 2011.

Annual Report

The 2011 Annual Report containing all the information required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited will be published on the websites of the Exchange at www.hkexnews.hk and the Company at www.truly.com.hk in due course.

By Order of the Board
Lam Wai Wah
Chairman

Hong Kong, 26 March 2012

As at the date of this announcement, 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.