TRULY INTERNATIONAL HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00732)

ANNOUNCEMENT OF INTERIM RESULTS 2012

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		
	2012	2011	Change
	Unaudited	Unaudited	%
	HK$'000	*HK$'000*	
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

THE CHAIRMAN STATEMENT

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

The board of directors (the "Board") of Truly International Holdings Limited (the "Company") is pleased to announce the unaudited interim condensed consolidated statement of comprehensive income of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2012 (the "Period") and the interim condensed consolidated statement of financial position of the Group as at 30 June 2012 which have been reviewed by the Company's auditor, Deloitte Touche Tohmatsu, together with the comparative figures for the same period of 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2012

		Six months ended 30 June	
		2012	2011
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE		**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

	Notes	Six months ended 30 June **2012** ***HK$'000*** **(Unaudited)**	2011 *HK$'000* (Unaudited)
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	*7*		
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		**4,495,884**	4,559,591
Prepaid lease payments		**153,510**	157,812
Intangible assets		**409**	480
Goodwill		**413**	413
Available-for-sale investments		**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	*8*	**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		**2,669**	2,699
		5,228,702	5,286,102
CURRENT LIABILITIES			
Trade and other payables	*9*	**2,186,750**	2,357,078
Tax liabilities		**107,709**	273,819
Bank and other borrowings, unsecured		**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

	30 June 2012	31 December 2011
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
NON-CURRENT LIABILITIES		
Bank and other borrowings, unsecured	**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	**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

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.

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 liquid crystal display ("LCD") products and electronic consumer products. The information for each operating segment is as follows:

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

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**

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.

4. FINANCE COSTS

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(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%.

6. PROFIT FOR THE PERIOD

	Six months ended 30 June	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(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 30.6.2011: 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.

7. 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	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings for the purposes of basic and diluted earnings per share attributable to the owners of the Company	**217,811**	224,535

Number of shares	**2012**	2011
	'000	*'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 period 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 period ended 30 June 2012.

8. 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	**Bills receivables**	**Total**	Trade receivables	Bills receivables	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	(Audited)	(Audited)	(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).

9. 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

MANAGEMENT DISCUSSION AND ANALYSIS

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.

OTHER INFORMATION

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.

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.

— *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 is published on the HKExnews website at www.hkexnews.hk and on the website of the Company at www.truly.com.hk. The 2012 Interim Report containing all the information required under Appendix 16 of the Rules Governing the Listing of Securities on the Exchange will be published on the websites of the Exchange and the Company in due course.

By Order of the Board
Lam Wai Wah
Chairman

Hong Kong, 20 August 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.